



COLONIAL REPORTS

North Borneo

1949



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THE SERIES OF COLONIAL REPORTS which was re-introduced for the year 1946 (after suspension in 1940) is being continued with those relating to 1949. It is hoped that the territories for which 1949 Reports are being published will be as listed on cover page 3.

REPORT ON NORTH BORNEO

FOR THE YEAR 1949

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The cover illustration shows a view of Mount Kinabalu
from Kota Belud

(Photograph by courtesy of Tim and Ed, Jesselton)

Summary

Population. Approximately 345,000 against 336,000 for 1948.

Trade. Trade, for the second year in succession, was the highest ever recorded, totalling over \$71,500,000 for imports and exports, and \$21,000,000 for transit trade. These figures show an increase of \$16,500,000 and \$6,000,000 respectively over last year's figures. The favourable balance of trade, which amounted to \$4,000,000 in 1948, was maintained, the value of exports rising to £4,500,000 sterling compared with £3,500,000 sterling in 1948.

Public Finance. Ordinary revenue was just under \$11 million against \$8 million last year; ordinary expenditure \$9.6 million against \$6.4 million last year; special expenditure \$7.2 million against \$4.5 million last year; deficit \$6 million against \$2.8 million last year.

PRODUCTION AND LABOUR

Rice. A record crop was produced during the year, being sufficient to feed 4 out of every 5 of the population on a very generous scale, compared with 2 out of 3 last year. Three years ago it was only possible to feed 1 in 4 of the population from local production, on a very meagre ration. In consequence it has been possible to reduce requirements of imported rice by 50 per cent for 1950.

Rubber. Rubber production suffered from lower prices for the greater part of the year. Nevertheless, in spite of this and of a labour force still under strength, production exceeded 19,500 tons (only 500 tons less than in 1948) and retained first place in the list of exports.

Coconuts and Copra. Exports at 19,000 tons were treble those for 1948, and jumped from eighth place in 1940 to second place in 1949.

Tobacco. The value of exports at \$2 million was four times that of 1940 and three times that of last year.

Hemp. The value of hemp exported was 60 per cent higher than last year.

Timber. Nearly $6\frac{1}{4}$ million cubic feet of timber were produced during the year (compared with $5\frac{3}{4}$ million cubic feet in 1948), of which $3\frac{1}{2}$ million cubic feet were exported (compared with $3\frac{1}{4}$ million cubic feet in 1948). Of this, over $1\frac{1}{4}$ million cubic feet went to Australia, 1 million cubic feet to Hong Kong, over $\frac{1}{2}$ million cubic feet to the United Kingdom and the balance to South Africa, Shanghai and Japan.

Labour. There was an increase of nearly 20 per cent in the number of labourers reported by large employers as employed during the year, but the total was still less than the number employed pre-war. On the other hand, output per man was much higher than before the war. Some Cocos Islanders came to the Colony during the year and are settling down well. It is hoped to arrange for more to come shortly.

Cost of Living. Generally speaking, this is some three to four times its pre-war level for a slightly lower standard of living, except in the case of padi planters, who enjoy a higher standard than before the war, as they are able to sell their surplus padi to Government for cash at eight to nine times the pre-war price. Government reduced the controlled price of rice by 28 cents a gantang during the year, and prices of other basic foodstuffs showed, if anything, a slight tendency to fall.

Trade Unions and Trade Disputes. Trade unionism is still in its infancy. There was no trade dispute of any importance during the year.

SOCIAL SERVICES

Education. The number of schools rose from 193 in 1948 to 204 in 1949, and the number of pupils from 15,852 to 18,020. Some 50,000 children, however, mostly native born, still remain to be provided for. Technical education was begun in a small way by the establishment of a Trade School near Jesselton.

Health. There was a steady improvement in the health of the population during 1949. There was a decrease in the incidence of malaria, partly as a result of the extensive use of D.D.T. in built-up areas. Tuberculosis remained a serious problem, but some progress was made in treatment facilities and in the examination of contacts.

Housing. In the main towns the housing problem is still acute, but it has now been possible to make a start on permanent rebuilding.

Social Welfare. The Board of Trustees under the War Victims Fund made grants totalling nearly \$50,000 to some 3,000 persons during the year and in addition arranged hospital treatment, the free issue of rice and special diets, and the distribution of relief clothing to necessitous cases.

Justice, Police and Prisons. There was a slight increase in the incidence of crime in 1949, but it still remains remarkably low, the average number of arrests for the whole territory being less than two a day.

COMMUNICATIONS

Roads. The road connecting Jesselton with Kota Belud, 49 miles away, was opened to traffic during the year.

Railway. The record number of passengers carried during 1948 was more than maintained in 1949 and the tonnage of freight hauled also increased, both being the highest on record since the railway opened.

Shipping. Twelve shipping lines now run regular services to and from the Colony, an increase of two on the figures for 1948. Just under two million gross tons of shipping used the ports of the Colony in 1949 compared with well under one million tons net register in 1948. Over 500,000 tons of cargo was handled compared with just over 200,000 tons in 1948.

Civil Aviation. Air-strips at Jesselton and Sandakan were completed during the year. There is now a bi-weekly service connecting the Colony with Singapore, a weekly service via Manila with Hong Kong, and a fortnightly service via Labuan with Australia and Hong Kong.

Posts. The upward trend in business was maintained during the year. The C.O.D. parcel service rose by 300 per cent, inward air mail traffic by 75 per cent, and the value of money orders issued by 50 per cent.

Telecommunications. More than two million words were transmitted over the Jesselton and Sandakan stations during the year compared with a total for all stations of just over half a million the year before the war.

PART I

General Review

THE GOVERNORSHIP

SIR EDWARD TWINING, K.C.M.G., M.B.E., relinquished office as Governor and Commander-in-Chief on 5th May, 1949, on his appointment to the Governorship of Tanganyika. The Colony was administered by the Chief Secretary, Mr. James Calder, C.M.G., until 10th January, 1950, when Major-General Sir Ralph Hone, K.B.E., M.C., T.D., was installed as Governor and Commander-in-Chief.

THE CONSTITUTION

The new Constitution establishing Executive and Legislative Councils was approved by the Secretary of State during the year, and it is hoped that these new bodies will be set up during 1950. This will bring to an end the life of the Advisory Council which has served the Colony well since the liberation of the territory.

REHABILITATION

During the past year the work of rehabilitation and reconstruction has continued, and although the funds available may in some cases have been less than desired, it is possible to report substantial progress.

A beginning has been made with the construction of permanent housing and office buildings; additional hospitals and stores have been built; roads have been extended and repaired, bridges rebuilt, and essential services to the public maintained and improved.

The fact that the Colony was in the fortunate position of enjoying peace and plenty resulted in its being free from political troubles.

DEVELOPMENT

The development work begun last year has continued. Air communications were improved by the construction of two new airfields at Jesselton and Sandakan, and by additions to the airfield at Labuan. Road communications were improved by the construction of a new road connecting Jesselton with the well-populated area of Kota Belud, while at Sandakan the North road was extended several miles. The improvement of port and harbour facilities received close attention, and a most useful report was prepared by a well-known firm of consultants after a rapid preliminary survey of the existing ports.

In connection with programmes for economic development the Drainage and Irrigation Department continued its survey work, but was hampered by lack of trained staff. Investigations and surveys were carried out by the Fisheries and Veterinary Departments. The Agricultural

Department established a clonal seed nursery to produce a supply of high-yielding types of rubber. The Forestry Department carried out forest surveys and silviculture work. A Geological Department was established for Sarawak and North Borneo.

A trade school was opened near Jesselton.

Malaria research was continued.

Throughout the year the preparation of new development and welfare schemes continued. A statement showing the schemes in operation and the actual expenditure up to the end of 1949 is given in Appendix I.

ECONOMIC PROGRESS

For the second year in succession there was a favourable balance of trade, and the value of both imports and exports created new records. Of particular interest is the figure of \$37,717,000 for exports, an increase of nearly \$8,000,000 over 1948, which was itself \$13,000,000 more than in 1947.

The alteration of the dollar/sterling exchange rate in September resulted in a sharp rise in the price of rubber, which for the greater part of the year until then yielded very poor prices. Copra showed a most astonishing increase both in volume and in value and rose to second place in the Colony's exports. The question of rice production is still most important, its plentiful supply being essential to the peace and prosperity of the country. It is the basic foodstuff of the entire population and no substitute will willingly be taken. The inception of a padi purchase scheme in 1948, in addition to creating a modest grain reserve, led to increased areas being planted for the 1949-50 season, and the crop now being harvested is a record one, which it is estimated will feed four-fifths of the population comfortably. This is a matter of the greatest importance in the present state of the world, and one to which this Government has, since the liberation, paid unceasing attention.

RUBBER COMMISSION

As stated in last year's Annual Report a Commission of Enquiry was set up to examine the rubber industry of the Colony with the following terms of reference:

Having regard to the probable future price levels for rubber, to examine the economy and prospects of the rubber industry as at present established and to make recommendations on methods of improving the production and marketing of rubber in respect of both the estates and the smallholders.

The Commission visited North Borneo during the early part of 1949, spending three weeks in the country. Their report included a general review of the industry and noted particular factors affecting its economy. It made a number of detailed recommendations, which covered the labour situation and methods of overcoming shortages, general policy questions covering land problems, loans, the use of approved planting material, the establishment of co-operative factories, the provision of research and technical services, and a number of administrative measures affecting such subjects as licences, a cess fund for rubber research, export duty, and railway charges. Certain of these recommendations related to action by

Government, which was already in train, and the remainder are still under examination. -

TRANSPORT COMMISSION

A Transport Commission was appointed early in the year to examine and report on the transport problem in the areas at present served by the North Borneo Railway.

A factual report was tabled at Advisory Council in the middle of the year, and a Select Committee was then appointed to make its recommendations on the report. These recommendations were, briefly:

- (i) that on economic grounds the railway must be retained. The difference in the cost of rehabilitating the railway and constructing a road is very large, and this could be more usefully employed by the construction of feeder services, either road or rail;
- (ii) the Jesselton-Beaufort section, 56 miles, should be completely laid with 60-lb. track, and all bridges strengthened to take a 12-ton axle-loading;
- (iii) every effort should be made by the Agricultural and Forestry Departments to develop land estimated to cover an area of 116,000 acres, which is considered suitably accessible to the railway, for agricultural and timber undertakings;
- (iv) the mixed train services which connect the present railway stations should be supplemented by trains which would function in the manner of bus services, picking up and setting down passengers at recognised stops between existing stations;
- (v) that the existing system is of uneconomical length, and every effort should be made to expand and extend it.

The recommendations were adopted by Advisory Council in December, and it was agreed that they should be carried into effect in so far as the finances of the Colony permit.

PART II

Chapter 1: Population

ANY estimate of the population of North Borneo at present can only be very approximate. At the end of 1949, taking into account the population on the island of Labuan, the effect of immigration, and the excess of births over deaths, the population was estimated to be between 340,000 and 350,000. The last official census, held in 1931, showed the total population to be 270,223. Of this number, natives of North Borneo amounted to 205,218, Chinese 47,972, Europeans 362, natives of the Malay Archipelago 11,550 and others 5,121. These figures differ somewhat from those given in the last two Annual Reports due to the recent discovery of documents which were not previously available. In 1941 the war had rendered a census impossible, but it was estimated that by the end of 1940 the population had increased to 309,776. These figures were exclusive of the population of Labuan, which before the war formed part of the Straits Settlements and had an estimated population of 8,963 in 1941. Plans are now under consideration for the taking of a new census in 1951.

The war had caused a great movement of the population away from the coastal towns to the villages and plains of the interior. This was occasioned by a variety of reasons, of which the first was the cruelty and repressive action of the Japanese invaders who tortured and killed many hundreds of loyal citizens. The search for food led many others to the fertile hinterland, where their efforts to produce food would be less likely of interference from the Japanese, who were inclined to requisition everything; and lastly, to escape the continued pre-liberation allied bombing which completely shattered nearly every town, large or small, in the Colony. The liberation of the territory, however, caused a steady movement in the reverse direction until now this process of readjustment is virtually completed.

Large numbers of the population died during the war years from death by imprisonment, or starvation, or untreated disease of which, owing to the lack of any sort of prophylactic, the principal was malaria. To a certain extent these losses were offset by the importation of large numbers of Javanese and Chinese labourers by the Japanese on the promise of a land of milk and honey. Many of these labourers died, but there are no reliable records either of the numbers brought in or of those who now remain. A population check, carried out towards the end of 1947 for food-control purposes, gave a population of 331,361 inclusive of Labuan, but it is felt that this figure is not very reliable.

Of the total population, about half live on the west coast between the Crocker Range and the sea. Here the density averages 23 persons to the square mile, which is over three times the figure for the rest of the Colony.

Of the native population, the Dusuns form the most important tribe. They live along the west coast and in the plains and hills of Tambunan and Ranau in the interior. They are a prosperous agricultural people and are the chief rice-producers of the country. In spite of a very high infant mortality rate, it is believed their numbers are increasing steadily. Much in advance of the other tribes in culture, education and agricultural methods, they form the most stable element in the rural population.

Next in importance, numerically speaking, are the Muruts, who inhabit the mountainous, inaccessible country towards the Dutch border. They were the last to abandon the practice of head-hunting, but they have not yet adopted a system of settled agriculture. Instead, they follow the age-long practice of shifting cultivation, using what is usually a seven-year cycle. By this means they ensure a supply of their staple diet of tapioca and hill padi as well as a potent home-brewed rice liquor known by the name of "tapai". They are great hunters, using spears, blowpipes with poisoned darts, and dogs. The chief form of game is wild pig, which are plentiful in the jungles of North Borneo. For ready cash, they rely on the collection of jungle produce, and on occasional periods of work as tappers and weeders in the rubber estates in the Tenom Valley. They are primitive in their habits and living conditions and their particular susceptibility to disease gives rise to the fear that, unless adequate medical and educational facilities are provided, they may eventually die out. The prevention of this is a matter which is receiving the earnest consideration of Government.

The Bajaus, a sea-faring people found mainly on the east coast, form the smallest of the three principal North Borneo tribes. A large group has, however, settled in the Kota Belud district on the west coast, where they have learned the art of wet padi planting from the Dusuns, and in addition have developed into excellent herdsmen and horsemen. The Bajaus, together with the Illanuns, the Sulus and the Obians, are the descendants of the notorious pirates who terrorised these waters until well into the nineteenth century. Now, although smuggling forms an important side-line, they are the Colony's most industrious fishermen.

The largest alien race in the Colony are the Chinese who, while engaged in agriculture and commerce, also supply most of the artisans for local industries. Many are smallholders producing rubber, rice, coconuts, fruits and vegetables, and rearing pigs. The majority of them are Hakka, who provide many of the clerks and subordinate technicians employed by Government Departments and commercial firms. The business and shop-keeping community, particularly in the Sandakan area, are mostly Cantonese, who have long-established connections with Hong Kong and China, while in the west coast towns they are Hokkiens who tend to look for their trade towards Singapore.

The European community, while numerically small, is economically very powerful. In general they are employed by Government and by the large trading and plantation companies with headquarters in London. They are the biggest employers of labour and exercise control over a large portion of the Colony's export trade.

In addition there is a small number of Javanese. In many cases they

were brought here by the Japanese and are those who elected to remain when given the opportunity of being repatriated in 1946. Akin in outlook and upbringing to the indigenous population, they find no difficulty in becoming quickly assimilated.

The Malay population is settled chiefly in the Sipitang District on Brunei Bay, and at Papar, in the Jesselton District where they are employed almost exclusively in fishing. They are the descendants of a small number who came to this area when the Sultan of Brunei enjoyed sovereignty over a part of the west coast of North Borneo. Strongly Moham-medan in religion, they rarely inter-marry with other races.

Finally, there is a number of smaller tribes, such as Bisayas and Orang Sungei, many of whom have ethnic associations with the larger native races. A few Indians, originally employed in the constabulary, have formed small settlements and many of these have become dairy farmers in the vicinity of the principal towns. It will be seen, therefore, that the Colony's population is made up of a large diversity of races speaking a variety of different languages. It is for this reason that Malay has become the lingua franca of the country and is spoken by the vast majority of its inhabitants.

Chapter 2: Occupations, Wages and Labour Organisation

MANPOWER

Most of the natives of the Colony are engaged in agriculture and in the past have shown little interest in working for wages, but one of the more significant trends since the war has been their increased interest in wage-earning employment. The bulk of the work in developing the industries and estates in the Colony was formerly carried out by immigrant labour, mostly Chinese and Javanese, as native labour tended to be seasonal, and a considerable proportion of native workers returned twice a year to their villages for the planting and harvesting of the padi crop. However, since the war, their engagement in wage-earning occupations has tended to increase, and they now form the biggest racial element engaged by employers, although, owing to their migrational habits, they are not, in the view of certain employers, ideal labour. Their importance in industry and on estates is steadily increasing, as will be seen from the table on page 11.

It is apparent from these figures that the labour strength of the Colony has not yet reached the levels of 1941 and there also appears to have been a tendency during 1949 for the rapid increase in general labour employed since the war to slacken off. It must be anticipated that the increase of the labour supply from local sources will in coming years continue to be slow and steady rather than rapid and spectacular. The decrease in the number of Chinese employed is important and has been most marked in employment on estates. This decrease has been caused by

- (a) the fact that the majority of Chinese seek such employment only as a temporary expedient until they can establish themselves as

- independent agricultural producers or in commerce, and this many of them were able to achieve during the Japanese occupation;
- (b) heavy losses among these classes as a result of forced labour, starvation or execution during the Japanese occupation; and
- (c) the decline in the number of immigrants from China since the war.

Labourers employed by Employers of 20 or more Persons

| <i>Date</i> | <i>Chinese</i> | <i>Javanese</i> | <i>Natives</i> | <i>Others</i> | <i>Totals</i> |
|-----------------------------|----------------|-----------------|----------------|---------------|---------------|
| *1.1.1941 . . . | 7,717 | 2,333 | 9,524 | 929 | 20,503 |
| †31.3.1948 . . . | 4,260 | 1,979 | 8,980 | 199 | 15,418 |
| †31.12.1949 . . . | 4,952 | 2,188 | 10,811 | 347 | 18,298 |
| Increase | | | | | |
| 31.3.1948 to | | | | | |
| 31.12.1949 . . . | 692 | 209 | 1,831 | 148 | 2,880 |
| This increase as percentage | | | | | |
| of total increase . . . | 24% | 7.36% | 63.6% | 5.1% | 100% |

* Exclusive of Government employees and of labour in Labuan.

† Inclusive of Government employees and of labour in Labuan.

OCCUPATIONS

The 18,298 workers employed at 31st December, 1949, were divided into the following groups:

Distribution of Labour by Occupational Groups

| <i>Places of Employment</i> | | <i>Number of Employees</i> | | | | |
|-----------------------------------|---------------|----------------------------|------------------|------------------|---------------|-------------------|
| <i>Type</i> | <i>Number</i> | <i>Chinese</i> | <i>Javanese</i> | <i>Natives</i> | <i>Others</i> | <i>Totals</i> |
| Estates . . . | 63 | 2,013 (5,699) | 1,690 (2,259) | 5,529 (8,227) | 167 (447) | 9,399 (16,632) |
| Industry and Commerce . . . | 41 | 2,094 (2,018) | 326 (74) | 2,419 (1,297) | 93 (482) | 4,932 (3,871) |
| Government Departments . . . | 71 | 845 | 172 | 2,863 | 87 | 3,967 |
| Totals | 175 | 4,952 | 2,188 | 10,811 | 347 | 18,298 |

1. Estates, which comprise the largest of the three groups in this table, were engaged in the production of rubber, coconuts, wrapper-leaf tobacco and manila hemp.

2. The figures in brackets are the totals for the first quarter of 1941 (i.e. for a period when estates were going all out for maximum production for the war effort).

3. No figures for Government employees in 1941 are available.

The figures in the table indicate

- (a) that at least half the loss of Chinese from wage-earning employment since 1941 has been sustained by estates;

(b) that whereas the industry and commerce group has exceeded its pre-war level of employment, chiefly by the additional employment of natives, estates require more than 7,000 workers to bring their employment figures back to 1941 levels.

Where the smaller agricultural and industrial employers are concerned, accurate information is lacking, but the following table gives estimated employment in the main agricultural industries upon which, to a very great extent, the economy of the Colony depends:

| <i>Type of Cultivation</i> | <i>Number of Undertakings at 31.12.1949</i> | <i>Number of Workers (estimated to nearest round figure)</i> | |
|----------------------------|---|--|--------------|
| <i>Rubber</i> | | | |
| Registered employers . | 54* | 7,000 | |
| Smallholdings (estimated) | 6,500 | 15,000† | 22,000 |
| <i>Coconuts</i> | | | |
| Registered employers . | 3 | 400 | |
| Smallholdings (estimated) | 820 | 4,000† | 4,400 |
| <i>Tobacco</i> | | | |
| Registered employers . | 1 | 1,100 | 1,100 |
| <i>Hemp</i> | | | |
| Registered employers . . | 5 | 900 | 900 |
| Total (estimated) . . | <hr/> 7,400 | | <hr/> 28,400 |

* Includes three combined rubber and coconut estates.

† Estimated figure; includes families of owners, and is probably an underestimate.

INDUSTRIAL AND COMMERCIAL UNDERTAKINGS

Undertakings employing 20 or more wage-earners classified under the heading of "Industry and Commerce" provide occupation for the following numbers:

| <i>Type of Undertaking</i> | <i>Registered Employers (at 31.12.49)</i> | <i>Number of Workers (at 31.12.49)</i> |
|--|---|--|
| Timber-logging, saw-mills, cutch exporting, etc. | 10 | 3,537 |
| Wholesale trading, warehouse work, stevedoring, etc. | 15 | 687 |
| Building and other contracting . . . | 9 | 308 |
| Others | 7 | 400 |
| Total | 41 | 4,932 |

There are also many hundreds of small businesses scattered throughout the Colony which in the aggregate employ many thousands of workers, but no reliable statistics are yet available.

IMMIGRANT LABOUR

The total labour strength in the Colony is still considerably below that of 1941. This position, which is not entirely satisfactory, in view of the need for further development, has been engaging the attention of Government and all possible steps are being taken to obtain workers from outside sources.

The disturbed political conditions in South-East Asia in 1949, however, severely restricted the free movement of migrant labour and made the problem of recruitment from outside the Colony difficult. For example, it has not yet been possible to resume the recruitment of workers from Java—which is the source of labour most generally favoured by employers—but negotiations have been resumed, and, at the end of the year, prospects of an early resumption of recruitment from this source seemed hopeful.

Some workers were obtained from Sarawak, whence 217 Chinese with their dependants entered the Colony as immigrant labourers, chiefly to seek employment on the hemp and tobacco estates on the east coast. A large number of Iban workers from Sarawak also entered the Colony and obtained employment for periods generally not exceeding six months. Unfortunately, the usefulness of these workers is as a rule restricted to jungle clearing and felling, as they do not adapt themselves well to other forms of employment.

An interesting sociological experiment took place with the introduction of some 160 Cocos Islanders who have obtained work on the hemp estates near Tawau. If the experiment is a success it is possible that approximately 1,000 more persons may enter the Colony from this source. Present indications are that the Islanders are good workers and are adapting themselves well in their new surroundings.

WAGES AND EARNINGS

Largely as a result of undeveloped communications between various centres in the Colony, there are wide local variations in rates of pay for the same type of work in different districts. There is a similar variation in the margin between skilled and semi-skilled workers. As a result, generalisations on wage levels are difficult and liable to misinterpretation. The matter is further complicated by the fact that most agricultural work, and much industrial work, is performed on piece rates, which again leads to a great variation in wages earned by different workers and in different localities. In general, however, it may be said that unskilled workers earn up to \$2.00 a day, semi-skilled workers up to \$3.50 a day, and skilled workers up to \$5.00 a day, the average for each group being from half to three-quarters of these figures.

Earnings during 1949 appear to have remained steady and there have been no marked increases or decreases in wage rates, or in the rates being paid for piece work.

Employment in industrial concerns is based generally on a 6-day week,

but in estates the general practice is to pay wages once a month, with a cash advance in the middle of the month. There is a tendency for workers to take advantage of the present labour shortage by asking for advances on engagement and then changing their employment shortly after, leaving comparatively large sums owing. Towards the end of the year the demand for extra workers, following on the rush by smallholders to take advantage of the rapid rise in the price of rubber, aggravated this problem.

COST OF LIVING

It has not yet been found possible to produce any accurate index of the cost of living, and, indeed, the existence of several standards of living corresponding to the racial divisions of the population, together with a shortage of staff experienced in such work, will make such an undertaking difficult. There is ample evidence, however, that the cost of living has increased to some three times its pre-war level for, generally speaking, a slightly lower standard of life. On the other hand, one large group, the rice-producing agriculturists, enjoy a considerably higher standard of living, as they are able to sell their surplus rice locally at eight or nine times the pre-war price, owing to the prevailing high world price for this commodity.

The Labour Department has, however, collected information designed to show the average monthly budget of workers of various races in different districts of the Colony, and the following table is of interest in showing an estimate of the general costs, and an indication of the wide variation that occurs both locally and between various races:

Labourers' Average Monthly Budgets

| | <i>I</i> <i>Rice and other</i> <i>foodstuffs</i> | <i>II</i> <i>Clothing and</i> <i>Bedding</i> | <i>III</i> <i>Miscella-</i> <i>neous</i> | <i>Total</i> |
|----------------|--|--|--|--------------|
| <i>Chinese</i> | \$ | \$ | \$ | \$ |
| Sandakan . . | 26.34 | 4.16 | 8.53½ | 39.03½ |
| Lahad Datu . . | 26.87½ | 2.96½ | 8.61 | 38.45 |
| Tawau . . | 24.25 | 3.18 | 7.25 | 34.68 |
| Jesselton . . | 25.34 | 3.38½ | 7.54½ | 36.27 |
| Kudat . . | 23.66 | 5.95 | 10.31 | 39.92 |
| Papar . . | 21.99 | 6.04 | 8.50 | 36.53 |
| Kota Belud . . | 17.23 | 3.39½ | 6.85 | 27.47½ |
| Beaufort . . | 26.48 | 7.50 | 8.87 | 42.85 |
| Tenom . . | 25.89½ | 4.50 | 8.67½ | 39.07 |
| Labuan . . | 31.81 | 8.38 | 8.66 | 48.85 |
| Average . . | 24.98 | 4.94 | 8.38 | 38.30 |

| | <i>I</i> <i>Rice and other</i> <i>foodstuffs</i> | <i>II</i> <i>Clothing and</i> <i>Bedding</i> | <i>III</i> <i>Miscella- neous</i> | <i>Total</i> |
|------------------|--|--|--|--------------|
| <i>Javanese</i> | \$ | \$ | \$ | \$ |
| Sandakan . . . | 20.40 | 5.49 | 6.63½ | 32.52½ |
| Lahad Datu . . . | 20.16½ | 7.81 | 6.50½ | 34.48 |
| Tawau . . . | 19.46 | 5.24 | 6.45 | 31.15 |
| Jesselton . . . | 20.07 | 4.81½ | 6.77½ | 31.66 |
| Kudat . . . | 20.43 | 6.87 | 6.81 | 34.11 |
| Papar . . . | 17.62 | 5.70½ | 6.36½ | 29.69 |
| Kota Belud . . . | 12.46 | 4.67 | 6.80 | 23.93 |
| Beaufort . . . | 20.82 | 10.68 | 8.86½ | 40.36½ |
| Tenom . . . | 18.63 | 5.74 | 6.75 | 31.12 |
| Labuan . . . | 23.59 | 6.16 | 6.87 | 36.62 |
| Average . . . | 19.36 | 6.31 | 7.08 | 32.75 |
| <i>Natives</i> | | | | |
| Sandakan . . . | 22.53½ | 4.54 | 4.96 | 32.03½ |
| Lahad Datu . . . | 21.47½ | 5.10½ | 2.95 | 29.53 |
| Tawau . . . | 21.59 | 3.71 | 4.35 | 29.65 |
| Jesselton . . . | 21.13 | 3.49½ | 4.80 | 29.42½ |
| Kudat . . . | 22.30 | 3.80 | 6.86 | 32.96 |
| Papar . . . | 17.78 | 4.01 | 4.33 | 26.12 |
| Kota Belud . . . | 13.97 | 2.67 | 3.17 | 19.81 |
| Beaufort . . . | 22.20 | 6.16 | 4.02 | 32.38 |
| Tenom . . . | 20.87 | 5.02 | 5.33 | 31.22 |
| Labuan . . . | 24.25 | 4.09 | 4.75 | 33.09 |
| Average . . . | 20.81 | 4.26 | 4.55 | 29.62 |

Note: These figures are exclusive of rent and firewood, and have not been weighted in accordance with the populations of the places concerned.

Prices of the principal local foodstuffs varied as follows between 31st December, 1948 and 31st December, 1949:

| <i>Commodity</i> | 1948 \$ | 1949 \$ |
|---|------------|------------|
| Rice, per gantang (8 lb.) | 2.20 | 2.00 |
| Sweet Potatoes, per kati (1⅓ lb.) | .10 | .08 |
| Fowls, per kati | 1.70 | 1.50 |
| Eggs, each | .15 | .14 |
| Beef, per kati | .80 | .65 |
| Pork, „ „ | 1.40 | 1.12 |
| Fresh Fish, per kati | .80 | .80 |
| Salt Fish, „ „ | .70 | .80 |
| Sugar, „ „ | .40 | .40 |
| Coffee, „ „ | .85 | 1.20 |
| Coconut Oil „ „ | .50 | .55 |
| | | 3* |

The comparatively high cost of living in the Colony is a matter of concern to the Government, which continued its efforts to reduce prices. To this end the prices of controlled commodities—rice, flour, and sugar—were reduced during the year by 13 per cent. General indications are that other local prices have not increased during the past year, and largely as a result of Government's policy to keep down the prices of basic foodstuffs, together with an excellent local padi harvest, there has in fact been a tendency for the prices of most important foodstuffs to fall. No appreciable increase in the cost of living appears to have followed so far upon the adjustment of the dollar/sterling exchange rate in September.

LABOUR DEPARTMENT

The Department of Immigration and Labour (which also deals with Chinese affairs, registration of societies and poor law administration) had three Administrative Officers on its establishment. In addition, there was one Chinese assistant officer. All District Officers officiated as Assistant Protectors of Labour for their respective districts, where they carried out routine inspections of places of labour employing 20 or more workmen. The Department also employed two Asiatic Labour Inspectors who assisted in this work, particularly in respect of the smaller employers. The Labour Department was increasingly active during the past year, both in inspection of places and conditions of work, and in introducing up-to-date legislation governing all aspects of employment. Relations between employers and workers have throughout the year been very satisfactory, and the absence of serious labour troubles in this country presents a very happy contrast to the situation in so many countries throughout the world. The sincere interest taken by employers generally in the health and welfare of their workers helped greatly towards this end. As a result of war damage, housing conditions still left much to be desired, but great improvements have been noticeable during the last year and many employers are replacing obsolete and temporary buildings. The Colony has been without an Inspector of Machinery since the war and this has led to an unsatisfactory state of affairs, particularly in the smaller workshops which use mechanical power. During the year the Department arranged the collection of statistics of industrial accidents. Fortunately out of 18 accidents reported, only two were connected with the use of machinery, while the remainder were the result of the normal hazards of employment. Some of these accidents unfortunately had fatal consequences, and as there is not yet in existence, except in the island of Labuan, any legislation covering workmen's compensation, a comprehensive measure is being introduced to deal with the matter in the near future.

TRADE UNIONS AND TRADE DISPUTES

During the year there was no marked change in the state of trade unionism, which is still in its infancy in the Colony. Neither was there any trade dispute of sufficient moment to attract public attention. Because of illiteracy among the majority of workers, the comparatively small extent

of wage-earning employment, and the absence of the competitive economic incentives which characterise more highly industrialised communities, the organisation of labour on modern trade union lines is unlikely to be rapid. Nevertheless, the fostering of responsible trade unionism is accepted as a duty of Government as the best long-term means of ensuring industrial peace and of mitigating the effects of the changes which are inseparable from industrialisation when it comes.

LABOUR LEGISLATION

The year 1949 was an important one from the point of view of new legislation affecting immigration and labour. The following Ordinances dealing with immigration were brought into effect on 1st April, 1949:

The Passport Ordinance, No. 20 of 1948.

The Immigration Ordinance, No. 21 of 1948.

The former replaced the 1939 Passport Ordinance of the State of British North Borneo and the Passport Ordinance of the Straits Settlements in so far as it affected the Island of Labuan. The effect of this Ordinance, and of the rules introduced under it, has been to require the holding of a valid passport or similar document by all persons entering the Colony and the holding, in addition, of a valid visa in the case of all aliens. The effect of the Immigration Ordinance has been to grant wide powers to the Commissioner of Immigration to regulate and control the entry of all persons into the Colony, except for the following classes of persons:

- (1) Persons born or naturalised in the Colony;
- (2) Persons in the employment of the Government of the Colony;
- (3) Serving members of H.M. Forces;
- (4) Representatives of Dominion and Colonial Governments;
- (5) Diplomatic and consular representatives.

In addition, the following Ordinances, more or less directly affecting the work of the Immigration and Labour Department, were passed in December, 1949, and came into force at the beginning of 1950:

The Labour Ordinance.

The Registration of Aliens Ordinance.

The British Nationality (Miscellaneous Provisions) Ordinance.

The Trade Unions and Trade Disputes (Amendment) Ordinance.

The Societies Ordinance.

The Immigration (Amendment) Ordinance.

The Pauper (Amendment) Ordinance.

INTERNATIONAL LABOUR CONVENTIONS

The Colony was concerned during the year with the application of 33 International Labour Conventions, divided into the following four categories:

- (a) Applied without modification.

No. 5 Minimum age (Industry) Convention, 1919.

- No. 6 Night Work (Young Persons) (Industry) Convention, 1919.
- 7 Minimum Age (Sea) Convention, 1920.
- 8 Unemployment Indemnity (Shipwreck) Convention, 1920.
- 11 Right of Association (Agriculture) Convention, 1921.
- 15 Minimum Age (Trimmers & Stokers) Convention, 1921.
- 16 Medical Examination of Young Persons (Sea) Convention, 1921.
- 26 Minimum Wage-fixing Machinery Convention, 1928.
- 29 Forced Labour Convention, 1930.
- 41 Night Work (Women) Convention (Revised), 1934.
- 50 Recruiting of Indigenous Workers Convention, 1936.
- 64 Contracts of Employment (Indigenous Workers) Convention, 1939.
- 65 Penal Sanctions (Indigenous Workers) Convention, 1939.
- (b) Applied with modification.
 - No. 63 Statistics of Wages and Hours of Work Convention, 1938.
 - 74 Certification of Able Seamen Convention, 1946.
- (c) Inapplicable owing to the local conditions.

Fifteen Conventions comprising, generally, those framed for the specialised problems of highly industrialised western countries, as, for example, the Conventions relating to unemployment and to hours of work in automatic sheet-glass works.

- (d) Decision on application reserved.

This category is a temporary one only, and action has been postponed pending the enactment of legislation. These three Conventions relate to workmen's compensation and legislation on that subject was under consideration at the end of the year.

In addition to the above, certain newer Conventions have been studied in accordance with requests made by His Majesty's Government, and it has been decided that in the event of ratification, certain of the Conventions could be applied to North Borneo:

- (a) Without modification.
 - No. 84 Right of Association (Non-metropolitan Territories) Convention, 1947.
 - 86 Contracts of Employment (Indigenous Workers) Convention, 1947.
 - 89 Night Work of Women Convention (Revised), 1948.
- (b) With modification.
 - No. 81 Labour Inspection Convention, 1947.
 - 82 Social Policy (Non-metropolitan Territories) Convention, 1947.
 - 85 Labour Inspectorates (Non-metropolitan Territories) Convention, 1947.
 - 87 Freedom of Association and Protection of the Right to Organise Convention, 1948.
- (c) Inapplicable owing to the local conditions.
 - No. 88 Employment Service Convention, 1948.

- (d) Decision reserved pending the enactment of legislation.
 No. 90 Night Work (Young Persons) (Industry) Convention,
 (Revised), 1948.

Chapter 3: Public Finance and Taxation

North Borneo's financial position must still be closely related to the exceptional damage suffered during the late war.

At the time of compiling this report the Colony's accounts for 1949 had not been finally closed. The figures, therefore, are provisional only and subject to correction.

In 1949 normal revenue was again in excess of recurrent expenditure and \$1,277,000 was available to help to defray the heavy cost of reconstruction and development. In addition, grants-in-aid totalling \$6,000,000 were provided by His Majesty's Government, including a sum of \$1,714,285 to meet the cost of destruction of currency notes issued by the former Government of the State of British North Borneo.

REVENUE AND EXPENDITURE

In order to present a clearer picture of the Colony's financial position, recourse was had in 1949 to a double-budget system in the compilation of the Colony's estimates, one portion showing what might be termed the normal revenue and the cost of normal Government services, while the other portion showed the special and extraordinary revenue and expenditure connected chiefly with reconstruction and development.

The following table gives the comparative figures for the years 1947, 1948 and 1949:

| | <i>Ordinary Revenue (exclud- ing Grants-in- Aid and C.D. and W. Grants)</i> | <i>Ordinary Expenditure</i> | <i>Special and Extraordinary Expenditure</i> | <i>Deficit</i> |
|----------|---|---------------------------------|--|----------------|
| | \$ | \$ | \$ | \$ |
| 1947 . . | 7,171,068 | 4,979,071 | 6,940,297 | 4,748,300 |
| 1948 . . | 8,043,016 | 6,357,283 | 4,498,808 | 2,813,075 |
| 1949 . . | 10,896,000 | 9,619,000 | 7,245,000 | 5,968,000 |

EXPENDITURE

The principal divisions of expenditure in 1947, 1948 and 1949 were:

| | <i>Personal Emoluments</i> | <i>Other Charges Annually Recurrent</i> | <i>Special and Extraordinary Expenditure</i> | <i>Total</i> |
|----------|--------------------------------|---|--|--------------|
| | \$ | \$ | \$ | \$ |
| 1947 . . | 2,123,058 | 2,856,013 | 6,940,297 | 11,919,368 |
| 1948 . . | 2,070,436 | 4,286,847 | 4,498,808 | 10,856,091 |
| 1949 . . | 3,258,000 | 6,361,000 | 7,245,000 | 16,864,000 |

Notes:

- 1947 Revenue included gross Railway revenue.
 1947 Special and Extraordinary Expenditure included \$2,591,078 in respect of cost of destruction of pre-war currency.
 1947 All Special and Extraordinary Expenditure including the cost of and reconstruction is included in the column "Special and Extraordinary Expenditure".
 1948
 1948 Revenue included only excess of Railway revenue over Recurrent and Expenditure.
 1949
 1949 Ordinary expenditure included a total of \$1,800,000 in respect of arrears due to revision of salaries and cost of Military and other personnel seconded to Government.
 1949 Special and Extraordinary Expenditure included a total of \$1,917,000 in respect of cost of destruction of pre-war currency (which was met by a specific Grant-in-Aid), and claims arising from the War.
 1949 Normal replacement expenditure is included in the columns "Ordinary Expenditure" and "Other Charges Annually Recurrent".

The column "Special and Extraordinary Expenditure" represents mainly the cost of reconstruction, but there is also an element for development.

In addition to the above, the following estimated expenditure was incurred during 1949 under approved Colonial Development and Welfare schemes:

Central Research Allocation

| | \$ | \$ |
|---------------------------------|--------|--------|
| Malarial Survey | 63,000 | |
| Sociological Research | 4,800 | |
| | <hr/> | 67,800 |

Borneo Territories Joint Allocation

| | | |
|---|---------|---------|
| Reconstruction of Labuan Airfield | 108,000 | |
| | <hr/> | 108,000 |

North Borneo Allocation

| | | |
|--|---------|-----------------------|
| Town Planner | 23,000 | |
| Establishment and Maintenance of Irrigation Department | 131,000 | |
| Veterinary Officer | 11,500 | |
| Trade School | 35,500 | |
| Rehabilitation and Development of Fishing Industry | 83,500 | |
| Reconstruction of Jesselton and Sandakan Airfields | 444,500 | |
| Establishment of Rubber Clonal Seed Nursery | 5,500 | |
| Tambunan Malarial Experiment | 10,500 | |
| Hemp Disease Control | 33,500 | |
| Forest Surveys and Silviculture | 61,000 | |
| Rubber Commission | 19,000 | |
| Roads | 270,500 | |
| Forestry Training | 11,500 | |
| | <hr/> | 1,140,500 |
| Total | | <hr/> 1,316,300 <hr/> |

REVENUE

The principal revenue items were as follows (the 1949 figures are subject to adjustment):

| | 1947 \$ | 1948 \$ | 1949 \$ |
|-------------------------------|-----------------------|-----------------------|------------------------|
| Customs | 4,590,443 | 5,284,794 | 6,890,000 |
| Lands | 655,909 | 593,979 | 628,000 |
| Posts | 208,579 | 554,468 | 399,000 |
| Telecommunications | 155,869 | 128,259 | 241,000 |
| Railways | (a)394,012 | (b) 8,399 | (b)143,000 |
| Forests | 125,078 | 196,696 | 436,000 |
| Licences and Internal Revenue | 209,010 | 330,014 | 530,000 |
| Fees and Municipal | 290,990 | 483,892 | 590,000 |
| Other Items | 541,178 | 462,515 | 1,039,000 |
| | <hr/> 7,171,068 <hr/> | <hr/> 8,043,016 <hr/> | <hr/> 10,896,000 <hr/> |

(a) Gross revenue.

(b) Net revenue.

The main increases in revenue during 1949, compared with 1948, were partly due to increased trade and a marked improvement in the price of rubber towards the end of the year, and partly to increased taxation.

Chapter 4: Currency and Banking

CURRENCY

The currency in circulation in North Borneo consists mainly of Malayan currency, with a small quantity of British North Borneo Chartered Company notes and coin issued before, and during, the Japanese occupation. British North Borneo Chartered Company currency still remains legal tender. When handed into banks or treasuries, however, it is not re-issued, but is redeemed at its face value for Malayan currency. The buying and selling rates of the Malayan dollar fluctuate slightly in accordance with the Singapore market. It is impossible to give accurate details of currency in circulation owing to unrestricted movements between the Colony and other territories which have adopted Malayan currency, but it is estimated that at the close of the year a sum of approximately \$10,000,000 was in circulation, compared with \$7,000,000 in 1948.

For the purpose of converting Malayan dollars to sterling, the value of the dollar is taken as 2s. 4d. and the following are useful conversion formulae:

(a) dollars a month $\times 7/5$ = pounds a year.

(b) dollars into pounds divide: by 10 and add one-sixth to the resultant figure.

(c) nine dollars = 1 guinea.

BANKING

There were two banks operating in North Borneo during the year, the Chartered Bank of India, Australia and China, and the Hong Kong and Shanghai Banking Corporation. Both have branches at Jesselton and Sandakan, and the Hong Kong and Shanghai Bank has a branch at Tawau. Agency facilities are available at Labuan.

Chapter 5: Commerce

The value of imports and exports for 1949 showed a sharp rise over the previous year, and the favourable balance of trade, first attained in post war years in 1948, was again maintained as is shown in the following table:

| <i>Year</i> | <i>Imports</i> (\$000) | <i>Exports</i> |
|-----------------------|---------------------------|----------------|
| 1935 | 5,086 | 8,155 |
| 1936 | 5,281 | 9,476 |
| 1937 | 6,828 | 14,767 |
| 1938 | 6,356 | 9,765 |
| 1939 | 6,500 | 13,453 |
| 1940 | 9,978 | 20,270 |
| 1941-46 not available | | |
| 1947 | 20,472 | 16,933 |
| 1948 | 25,419 | 29,742 |
| 1949 | 33,971 | 37,717* |

* In all probability the true figures for exports are considerably greater than those shown, as the values given for commodities such as tobacco and Manila hemp are nominal and subject to adjustment when the sale price in the country of destination is known.

It is probable that the final figures will show exports valued at about £4,500,000 sterling, compared with £3,500,000 sterling for 1948.

There is also a considerable transit trade along the east coast of the Colony, and between the port of Labuan and the other territories in the Brunei Bay area, including the Fifth Division of the Colony of Sarawak and the Seria oilfields. The total value of this trade in 1949 was estimated at nearly \$21,000,000 compared with \$15,000,000 for 1948.

IMPORTS

In thousands of dollars

| | 1939 | 1940 | 1947 | 1948 | 1949 |
|--|-------|-------|-------|-------|-------|
| Rice | 1,038 | 1,452 | 2,960 | 4,282 | 6,017 |
| Provisions | 812 | 998 | 3,606 | 3,557 | 4,347 |
| Textiles and Apparel | 783 | 1,201 | 2,827 | 2,824 | 3,799 |
| Tobacco, cigars and cigarettes | 446 | 413 | 1,879 | 2,438 | 1,998 |
| Sugar | — | — | — | — | 2,388 |
| Vehicles | — | — | — | — | 1,340 |

EXPORTS

| | 1940 | 1947 | 1948 | 1949 |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|
| | <i>Million \$</i> | <i>Million \$</i> | <i>Million \$</i> | <i>Million \$</i> |
| Rubber | 14.50 | 11.25 | 18.50 | 15.90 |
| Timber | 2.20 | 1.50 | 3.00 | 5.42 |
| Cutch | .65 | — | .50 | 1.10 |
| Hemp | .55 | .50 | .50 | .80 |
| Dried and salt fish | .55 | .50 | .50 | .50 |
| Tobacco | .45 | — | 1.50 | 2.00 |
| Firewood | .40 | .25 | .25 | 1.50 |
| Copra | .30 | .50 | 1.70 | 7.50 |

Note : Figures for 1941-46 are not available.

SOURCE AND DESTINATION OF GOODS

It was not possible to determine accurately the ultimate destination of all the Colony's exports, a considerable proportion of which went to Hong Kong and Singapore for transhipment elsewhere. Original sources of imports were also difficult to gauge owing to transhipment en route, but the estimated figures are as follows:

| <i>Imports from</i> | % | <i>Exports to</i> | % |
|--------------------------|----|--------------------------|-----|
| Australia | 25 | <i>Rubber</i> | |
| United Kingdom | 20 | Singapore | 72 |
| Europe | 18 | United Kingdom | 15 |
| Siam | 10 | U.S.A. | 6 |
| Asia | 10 | Europe | 5 |
| Philippines | 8 | Others | 2 |
| Hong Kong | 5 | <i>Coconut Produce</i> | |
| Canada | 2 | Singapore | 97 |
| U.S.A. | 1 | Holland | 2 |
| | | Hong Kong | 1 |
| | | <i>Timber</i> | |
| | | Australia | 39 |
| | | Hong Kong | 28 |
| | | United Kingdom | 14 |
| | | China | 4 |
| | | Japan | 4 |
| | | Others | 11 |
| | | <i>Hemp</i> | |
| | | United Kingdom | 100 |
| | | <i>Cutch</i> | |
| | | U.S.A. | 65 |
| | | Japan | 34 |
| | | Others | 1 |

CONTROL OF IMPORTS AND EXPORTS

In order to conserve foreign exchange and to regulate the import of certain commodities, a licence from the Commissioner of Customs and Excise must be obtained for all controlled commodities. The Customs Department is responsible for ensuring that the conditions contained in these licences are observed and for the disposal of unlicensed goods seized for contravention of the control regulations.

The export of certain goods is also prohibited except under a licence issued by the Commissioner. In all, there are 14 items listed in the Schedule, which comprise such commodities as are vital to the economy of the Colony and are in short supply throughout the world. The Customs Department is also responsible for enforcing the prohibition.

GENERAL

The expansion in the figure for export trade is due to two principal factors, namely, the manner in which the Colony has overcome the ravages of war and the maintenance of the good prices the Colony has enjoyed for many of its commodities, which is in part due to the revaluation of sterling. Not only have the values of the Colony's exportable commodities increased, but, what is more important, so have, in nearly all cases, the quantities available for export. As there are fewer labourers employed than before the war, this indicates that output per man has increased considerably in the interval. This is in some measure due to better health conditions and to the ample supplies of the staple foodstuff, rice, now produced locally.

Chapter 6: Production

The primary products of North Borneo, apart from timber, are mainly agricultural, among the more important being rubber, copra, manila hemp, tobacco, rice and sago. With the exception of rice, there is an exportable surplus of each of these commodities, with rubber and copra as the largest revenue producers.

With the establishment of a Geological Survey Department, investigations are being made into the mineral resources of the Colony, which at present are entirely undeveloped.

Local industries include the production of coconut and groundnut oil, manufacture of cheroots, salting and drying of fish, timber milling and pottery-making. Most of these industries are still in the development stage and capable of considerable expansion and improvement.

AGRICULTURE

The cultivation of crops in North Borneo is, at present, confined to a number of comparatively small areas divided by mountains or swamps and, in some cases, by unknown and somewhat inaccessible country. In the south-west lies the Klias Peninsula, a flat and swampy area where the main agricultural production consists of sago and a little rice. On the island of Labuan just off the Klias Peninsula rice cultivation and mixed farming

are carried on in a small way. Travelling north from this area, one passes through the main rubber plantations, lying close to the west coast, until one reaches Papar, from which place, as far as Kota Belud, agriculture consists mainly of rice-growing and mixed farming on small-holdings. In the extreme north of the country, in the neighbourhood of Kudat, the principal crop is coconuts, and there is also mixed farming. On the east coast and near Sandakan, there are small areas of mixed crops, together with a few rubber estates on the south side of Sandakan Bay. Moving south, at Lahad Datu, there are fertile tobacco lands lying along the Segama River, while, further south still, one reaches the most promising agricultural area in the Semporna Peninsula and Tawau, where there are large deposits of volcanic soil, said to be capable of producing excellent crops; and it is here that the hemp industry has developed. The only part of the interior which has been opened up so far for agricultural purposes is in the Tambunan and Keningau plains, where rice, tobacco and mixed crops are grown. Undoubtedly, there are still considerable areas of land which are potentially fertile, but as much of it is somewhat inaccessible, no detailed agricultural survey has yet been made. In general, it can be said that the soils on the west coast are poor and more suitable for rubber growing, whereas on the east coast, particularly inland from Semporna and Tawau, the soils are suitable for more selective forms of agricultural development.

In the settled areas around the coast, buffaloes are used for ploughing the padi fields, and, in these areas, too, there are a large number of rubber small-holdings, the majority of which are in the hands of the Chinese. In the interior, the hill tribes employ shifting cultivation methods, on a seven-year cycle, for their main crop, which is hill padi. The traditional implement is the locally manufactured hand hoe. The size of a small-holding in the more populated areas is generally about two to three acres.

The average agricultural yields in North Borneo are said, on the whole, to be low. Up to the present, there has been no large-scale irrigation of padi lands, and cultivators are dependent upon rain-water for their crops. A number of primitive irrigation works have been made at Tambunan and Kota Belud. No use is made of artificial fertilisers, and the manuring of padi fields is dependent upon grazing buffaloes during the off-season.

With its heavy rainfall, mountainous country, and light friable soils on agricultural lands, North Borneo already has a soil erosion problem, and there is evidence of this near the towns and on hillsides, where both sheet and gulley erosion is most noticeable. In general, farmers take measures to protect their land and cover-crops are planted in the rubber estates. In the interior, however, with the practice of shifting cultivation, there is evidence that much good forest timber is being destroyed annually. Propaganda and demonstrations of measures against soil erosion are carried out by the Agricultural Department.

The main livestock areas of the country are in Kota Belud and Kinin-gau. In these places, the breeding of cattle, buffaloes and ponies is carried on to a considerable extent. It has not, however, been possible to introduce sheep with any success. Pigs are raised on a large scale in the coconut areas of Kudat, the Klias Peninsula and Lahad Datu and Tawau.

During 1949 the principal aim of the Agricultural Department has been increased self-sufficiency in local food requirements, with rice as the chief target. Excellent harvests in 1948 and 1949, combined with every prospect of a heavy crop from the forthcoming season, indicate that the general position is satisfactory. It is estimated that the 1949-50 harvest, which is reaped between November and March, will be sufficient to provide for some four-fifths of the Colony's requirements. The aim, however, is full self-sufficiency, and it is intended to improve existing areas by irrigation and to add to them to achieve this end.

In addition to increased food production, continued efforts have been made to encourage the rehabilitation of rubber and coconut small-holdings, and to increase the number of livestock available for export to neighbouring territories.

Crops

The principal crops grown for local consumption are rice, sago, coconuts, coffee, tapioca, maize, groundnuts, bananas, soya bean, sugar cane and various types of fruit and vegetable. With the exception of rice, coffee and sugar, these are usually produced in sufficient quantities to meet local demand only, but there is room for considerable improvement in the quality of local fruits.

The principal export crops are rubber, copra, tobacco, manila hemp and sago.

Rice. The general outlook for the major food requirements of the population is considerably brighter than was the case in the period immediately following the liberation of the Colony. Good prices and an ever-present demand have resulted in practically all available established areas being placed under cultivation, while some additional areas have been opened up.

Pre-war statistics of area and production were far from accurate, and, since the Japanese occupation, steps have been taken to obtain more reliable statistics. Considerable progress has been made, and although the work will continue during 1950, far more accurate figures for wet padi acreages and yields are being obtained than has been possible in the past. This work will be extended in due course to cover dry padi cultivation.

The total planted area has in the past been placed at approximately 90,000 acres, half of which was wet and half dry cultivation. The estimates for the former may be considered as reasonably accurate, but the latter is thought to be an over-estimate.

The estimates for wet padi for the 1948-49 season have been placed at some 23,000 tons of rice, giving an average yield of approximately 1,800 pounds of padi per acre. This, together with the dry padi harvest, which can only be a very rough estimate, probably resulted in a total crop in excess of 30,000 tons of rice, representing at least two-thirds of the requirements of the Colony.

It is estimated that the 1949-50 harvest will yield over 35,000 tons or four-fifths of requirements, and in consequence it has been possible to reduce requirements of imported rice by 50 per cent in 1950.

The four principal objectives in attaining self-sufficiency were given in last year's report. They are:

- (a) to improve existing areas under wet padi cultivation by the introduction of drainage and irrigation over wide areas, thereby ensuring that the population do not remain at the mercy of the vagaries of the climate. This should lead not only to an increased yield per acre, but should enable additional nearby land, for which there are cultivators available, to be brought under production;
- (b) to introduce improved seed, improved methods of cultivation and increased pest control;
- (c) to encourage employers of labour to cultivate sufficient wet padi to feed their labour forces;
- (d) to investigate the possibilities of mechanised cultivation. Enquiries into this question are now being undertaken in the Bandau area at Kudat.

Rubber. The rehabilitation of the larger estates and, to a lesser extent, of small-holdings, has continued throughout the year. Production for 1949, however, is just over 19,500 tons, thus showing a small decrease as compared with the 1948 figure of 20,000 tons. Factors which may be partly responsible for the decreased production include some excessively wet months, which had the effect of decreasing the number of days suitable for tapping, and the depression in prices which preceded revaluation of the sterling/dollar exchange rate in September. There is little change in the acreage figure which remains in the neighbourhood of 125,000 acres, of which more than half is owned by small holders. Of the total area, including that under European management, only a small portion is under approved high-yielding clones. Recently a number of estates have undertaken replanting with high-yielding material in areas which were destroyed during the occupation. It is disappointing to record that no estates appear to contemplate undertaking any substantial replanting programme for their large acreages of old and low-yielding rubber. The necessity for such action was stressed by the Rubber Commission which visited the Colony early in the year, and it is feared that unless such a policy is adopted both by estates and small holdings the industry faces a difficult future, in view of the competition from synthetic rubber. This problem is one which must be solved and is engaging the attention of Government.

Coconuts. The total area under coconuts amounts to approximately 35,000 acres. As soon as circumstances permit, these areas will be checked in order to obtain a more reliable figure.

Production during the year has been considerably assisted as a result of high prices, and the removal, towards the end of 1948, of destination control on the export of copra. Total exports for 1949 at 19,010 tons were approximately three times those for last year, but of this total a considerable proportion represented copra imported from adjoining territories for re-export.

Despite the satisfactory position of the industry and the certainty that there will exist heavy demands for vegetable oils for some years to come,

small-holders show no inclination to extend cultivation or to replant those areas destroyed as a result of war action. The high price obtained for copra has resulted in a decrease in the amount of oil extracted for export. This, in turn, has meant a decreased output of "punak" (copra residue) obtained as a by-product from the manufacture of oil; combined with the higher prices being asked for "punak", which is in considerable local demand as pig food, this has meant a decrease in the pig population. With the exception of one or two small power-operated expressors, the methods used for the extraction of coconut oil are still primitive, and the extraction rate seldom exceeds 40 per cent as opposed to a figure of 60 per cent obtained by modern methods. Apart from the loss of oil occasioned as a result of inefficient milling, the presence of extra oil in the pig food militates against successful pig production where the market demands a lean carcase, which cannot be obtained with such a diet.

Cocoa. Great interest is being shown in cocoa cultivation, but the necessary restrictions at present placed on the importation of seed, added to the fact that suitable material is not available in the Colony, has prevented any commercial planting being undertaken.

Small areas of cocoa, planted experimentally by small-holders in the past, have been located; unfortunately, these are all of the Criollo type, which is not in favour with the trade. A consignment of 2,000 Trinitario seed and another, from Casassar, of 240 West African Amelonado seed have been received and established. A further 1,800 Amelonado seedlings obtained direct from West Africa are at present undergoing quarantine at Pulau Tekong, Malaya. With the seedlings from West Africa, it is proposed to open a nursery, the seed from which it is hoped will in due course enable the commercial cultivation of cocoa to be undertaken in North Borneo.

Sago. The total area under sago is estimated at 14,000 acres which is sufficient to meet local requirements and provide a substantial surplus for export. Apart from the needs for local consumption little effort has been made by producers or millers to step up output because of the heavy capital expenditure necessary to repair the damage caused by the war and for the purchase of water filtration plant to produce the clean water which is necessary to produce a high grade product. Only one of the seven pre-war factories escaped complete destruction, and it is back in production on a reduced scale.

Manila Hemp. The cultivation of this crop is confined to an area of volcanic soil on the east coast. The industry has passed through a trying year owing to the presence of "bunchy top" disease, which developed when the estates were temporarily abandoned during the Japanese occupation. This disease has destroyed a large proportion of the cultivated areas. It will be necessary to eradicate completely all existing Manila hemp and to replant before the industry can be fully revived. Of the five estates involved, two have already been cleared, and a third is nearing completion. All available hemp is being stripped from the remaining two estates preparatory to eradication in 1950. The high quality of the hemp being produced on the existing estates has been the subject of commendation in the United Kingdom.

Tobacco. There is still only one estate producing high-grade cigar-

wrapper leaf. Rehabilitation has been completed, but production for the year is still short of pre-war exports.

Native production satisfies local demand and provides a small surplus for export. The product is capable of considerable improvement both in the method of its culture, its preparation and marketing. The crop is grown principally on the steep mountain-sides of the foothills of Mount Kinabalu, and is carried down by the native producers to markets at Kota Belud and Tuaran for disposal to Chinese middlemen.

Food and Other Minor Crops. With the increased availability of rice and the high wages now obtained, the demand for cheaper and alternative foodstuffs has considerably decreased. While the drive to increase the production of green vegetables has achieved some success in the vicinity of the larger towns, there is little evidence of any increased production among the natives of the interior. To a considerable extent, however, this apparent apathy can be attributed to the ravages caused by wild pig which make production difficult and hazardous.

Other crops of local importance include coffee and kapok (tree cotton), the cultivation of which is entirely in the hands of peasant farmers. Various types of fruit such as papaya, bananas, mangoes, durian, mangosteen, pineapples and oranges are grown, but the quantities available are limited, prices are high, and in general the quality is poor.

Agricultural and Padi Experimental Station

The small agricultural station established at Labuan before the war has been maintained with the principal object of supplying good quality planting material to the proposed agricultural stations on the mainland.

It is planned to open a padi experimental station, and sites are being tested out to ascertain their suitability as padi test plots.

A rubber clonal seed nursery is being established, the greater portion of which has been planted with various clones of budded stumps and the remainder with basket seedlings for budding in 1950.

Agricultural Pests and Diseases

The more common diseases of rubber are present throughout most of the old planting areas, but the damage is both slow and slight.

Wild pig still continue to be the most serious agricultural pest. The damage done by these animals is widespread and serious. Guns, ammunition and poison have, however, been in greater supply during the year, and improved control has followed. Rats, too, constitute a serious menace especially to padi, but the supply of poison and a number of rat drives, prior to the beginning of the padi season, have reduced their depredations to reasonable proportions.

Livestock

Census figures for 1949 are not yet complete, but indications are that the progress made last year towards repairing the losses due to the war has been maintained. In the Kudat area, pig breeding has fallen off on account of the good market for coconut products, which resulted in fewer coconuts and less copra-residue ("punak") being available as pig food.

Restrictions on the export and slaughter of buffaloes were maintained, though it has been possible to permit some relaxation in this respect.

Surra, the parasites of which are indistinguishable from *Trypanosoma evansi*, was endemic amongst ponies in the Kota Belud district throughout the year, while a minor outbreak of the disease occurred in one small area of the Keningau district in the interior. In both districts, the disease was kept well under control by curative and prophylactic treatment and by restriction of movement. The new trypanocidal drug, antrycide, was used for the first time in North Borneo during the year to combat this disease and showed promising results as a curative agent. The number of cases so far treated, however, is too small for definite conclusions to be drawn as to its superiority over the drugs previously used, namely, naganol and antrypol. The mortality from *surra* showed a decrease as compared with 1948.

Buffaloes, cattle and pigs remained free from serious outbreaks of disease throughout the year, but poultry again suffered losses. Arrangements have been made to obtain from Malaya a supply of Newcastle disease vaccine, which it is proposed to test out on local flocks of fowls during 1950.

A widespread epizootic disease among dogs occurred in Kudat and Jesselton and was responsible for many deaths. The majority of cases bore a close resemblance to distemper in one or more of its forms, but there is the possibility that some of the cases may have been due to a virus disease known as "hard pad", which in many ways closely resembles distemper.

The two pony stallions, the import of which from Australia was reported in last year's report, have not yet sired any progeny, attempts at service with local mares having so far been unsuccessful.

A Bangkok bull, imported by Government, has been kept at Kota Belud. Local cows were brought to it regularly for service and it is expected that a considerable improvement in the quality of the herds may result.

DRAINAGE AND IRRIGATION

Although sanction for the creation of this department was received in May, 1948, the difficulties encountered in engaging the necessary trained staff, both from abroad as well as locally, account for the lack of progress in its activities.

With the staff already recruited, a start, albeit in a small way, has been made with the large programme of work before the department.

FORESTS

There was a general increase in both production and export of timber and other forest produce. The total f.o.b. value of timber and other forest produce exported during 1949 amounted to \$7,816,033, compared with \$4,947,546 for 1948, and is the highest for the post-war period.

Timber. Production of timber during 1949 amounted to 6,166,712 cubic feet, of which 3,534,896 cubic feet, with a declared f.o.b. value of \$5,416,033, were exported. The bulk of the timber exported was in log form, only 7 per cent of the total consisting of lumber.

Australia was the largest importer of North Borneo timber, taking

1,322,985 cubic feet valued (f.o.b.) at \$1,695,630. The demand for logs, both ply grade and saw grade, remained strong throughout the year at current price levels. At Brisbane, which is the centre of the plywood industry in Australia, the demand for logs was beyond the capacity of North Borneo exporters, with the result that the Australian Government was compelled, as a temporary measure, to reduce the duty on imported Japanese ply boards. Exports to Sydney were confined solely to saw grade logs of prime, second and fair average quality. Owing to labour disputes, necessitating the strictest economy in the use of industrial power, many Australian sawmillers were compelled during the latter part of the year to cease operations. This led to an accumulation of stocks in Australia so that timber shipments from North Borneo to Sydney had to be curtailed. Small shipments were also despatched to Adelaide. The potential demand for converted timber in Australia is considerable, and is likely to increase, owing to the lack of adequate milling facilities in certain states.

Hong Kong took 1,001,429 cubic feet valued (f.o.b.) at \$1,439,220, which was, during certain months, considerably in excess of the quantities this market could absorb. Prices, therefore, fluctuated and timber stocks in Hong Kong accumulated to such an extent that exports from North Borneo were drastically curtailed or entirely suspended for several months. Unfortunately, complete agreement between timber exporters could not be reached about voluntarily reducing the quota each should ship, and there was little or no improvement in this market at the end of the year. Exports of timber to Hong Kong consisted mainly of logs, but there is no doubt that the demand, owing to inadequate sawmilling facilities in Hong Kong, is rapidly developing for lumber rather than for logs.

Throughout 1949 the timber trade in the United Kingdom remained under Government supervision and licences issued by the United Kingdom Timber Control were required before shipments could be made. 546,831 cubic feet, both logs and sawn, with an f.o.b. value of \$1,109,948 were exported to the United Kingdom. Prices remained at remunerative levels and the demand was much in excess of the supplies available.

Exports to South Africa amounted to 255,679 cubic feet with an f.o.b. value of \$562,136. The regulations issued by the South African Government in May, by which permits were authorised on the basis of 25 per cent of the value of the 1948 imports from the sterling area and 16 $\frac{2}{3}$ per cent from dollar areas, necessarily restricted trade with South Africa, but, even so, the demand, particularly for sawn timber, was considerably in excess of available supplies. A few parcels of sawn timber were shipped to Beira in Portuguese East Africa for delivery to buyers in Southern Rhodesia. Prices remained firm throughout the year, but a small reduction may be anticipated owing to competition from the Philippine Islands and West Africa.

The Japanese market prospects earlier in the year promised well, but eventually only 153,647 cubic feet were exported. All tenders for the importation of ply grade logs during 1949 were issued by the Ministry of International Trade and Industry, operating under instructions from the Supreme Commander, Allied Powers, and many difficulties were encountered in concluding contracts, not the least of which was the stipulation,

made by the Japanese Government, that payment of only 80 per cent of the c.i.f. value would be authorised at the time of shipment, the balance to be remitted to shippers after inspection of logs in Japan. To this stipulation North Borneo shippers would not agree, and, after prolonged negotiations, contracts were signed by shippers' representatives in Japan for a total of 140,000 cubic feet, for which letters of credit were established for the full c.i.f. value with banks in North Borneo, prior to the completion of loading. Prices offered were by no means attractive, when compared with those obtainable in other markets, due entirely to the keen competition from the Philippine Islands, where exporters have been able to secure more favourable freight rates. Recently, the Japanese Government has been insisting on a specification which would ensure them receiving rather better grade logs than pre-war. This has been resisted by North Borneo exporters, who had advised their representatives in Japan that orders for fair average quality only as defined in the North Borneo Standard Grading Rules will be supplied.

The balance of timber exports went to Shanghai (154,076 cubic feet), Brunei (61,907 cubic feet), Germany (19,006 cubic feet), New Zealand (16,046 cubic feet), U.S.A. (1,286 cubic feet), Singapore (568 cubic feet), the Philippine Islands (394 cubic feet) and Southern Arabia (181 cubic feet).

North Borneo timber exporters have been unable to take full advantage of the demand for sawn timber owing to inadequate sawmilling equipment. Strenuous efforts have been made to rehabilitate the industry, which was completely destroyed during the Japanese occupation, but manufacturers of sawmill machinery in the United Kingdom have been unable to give early delivery, and, in fact, delivery dates often exceed 18 months ahead, with the stipulation that prices would be those ruling at the time of shipment.

Difficulty in obtaining shipping hindered, to a large extent, the export of timber to New Zealand. Attempts were made to establish North Borneo timbers in Taiwan (Formosa), as an offset to the loss of the Shanghai market, but here again the ability of the Philippine Islands to secure more favourable freight rates operated adversely against North Borneo shippers.

Minor Forest Produce. Except for damar, rattan and edible white birds' nests, exports of minor forest produce improved, and during 1949 amounted to approximately \$2,400,000, compared with \$2,218,429 in 1948.

Production of mangrove extract (cutch) increased to 76,320 cwt., and, of this, 75,810 cwt., with an f.o.b. value of \$1,137,150, was exported to U.S.A. (65 per cent), Japan (34 per cent), Europe and Shanghai (1 per cent). Despite increased production, the demand for mangrove extract exceeded the supply.

Exports of mangrove firewood to Hong Kong increased to approximately 1,100,000 pikuls, with an f.o.b. value of \$944,000. This increase was due to the cessation of firewood supplies from China, aggravated by the influx of refugees into Hong Kong. There were violent price fluctuations during the year which, in turn, did little to contribute to the stability of the firewood industry in North Borneo.

Unsettled conditions in China resulted in increased production and export of mangrove charcoal. In 1949 some 21,000 pikuls of charcoal were exported to Hong Kong with an f.o.b. value of \$81,000, compared with the 1948 exports of 8,491 pikuls. Abnormal demands for mangrove firewood and charcoal, while they contribute to the immediate prosperity of North Borneo exporters and to the revenue of the Colony, make the management of mangrove forests a difficult matter and have an unsettling effect on the actual workers, who demand and get substantial cash advances from the entrepreneur the greater part of which are never recovered.

Direct exports of cleaned and graded copal to the United Kingdom and Australia, which began in 1948, were successfully continued, and approximately 603 pikuls with an f.o.b. value of \$30,227 were exported. The bulk of the copal exported went to the United Kingdom and the balance to Australia.

Exports of uncleaned and ungraded damar continued to fall, and in 1949 only some 7,000 pikuls with an f.o.b. value of \$53,000 were exported, compared with 10,871 pikuls in 1948. The market price for damar was poor, and the sales were mainly on a consignment basis, the prices obtained often bearing little relation to published market prices, which were purely nominal.

The quantity of rattan exported fell to two-thirds of the quantity exported in the preceding year. Approximately 1,700 pikuls with an f.o.b. value of \$27,000 were exported in 1949, compared with 2,356 pikuls exported in 1948. Export of cleaned and graded rattan by the Native Association, Labuk, continued, and several useful shipments were made to Australia.

The production of edible birds' nests, both black and white, was maintained, but exports of white nests decreased in comparison with the preceding year. This decrease is accounted for by local consumption of white nests, resulting from the prosperity of the Chinese community in general. In 1949 some 284 pikuls of black nests, with an f.o.b. value of \$67,000, and approximately 15 pikuls of white nests, with an f.o.b. value of \$30,500, were exported from the Colony.

Conclusion. For the timber and forest produce industries of the Colony 1949 was a prosperous year. Most of the companies, particularly those in the timber business, utilised their profits for rehabilitation and the expansion of their existing plant. While production and export of timber in 1949 did not catch up with the maximum output before the war, there is no doubt that timber producers, despite high costs of production, reaped a more satisfactory financial return for their effort. The demand for North Borneo timber shows no signs of slackening, but, on the contrary, there is every reason to think that producers will be taxed to the utmost in meeting the demand for timber for several years to come. There are indications that buyers are becoming more particular about the quality and specification of timber, but, except for Japan, Forest Department certificates of grade, based on the North Borneo Standard Grading Rules and measurement, have been accepted by both buyers and sellers.

FISHERIES

The Fisheries Department, which was formed on 1st April, 1948, has continued its combined duties of reorganisation and reconstruction of the fishing industry, and the survey of the industry in its present state. The staff of the department has been strengthened by the appointment of a senior Fisheries Officer, who recently completed an intensive course in fisheries technology in the United Kingdom, and a junior Fisheries Officer who studied fisheries and oceanography for three years at the University of Amoy in China.

The fishing industry in North Borneo is controlled almost entirely by Chinese "towkays" who acquire the greater part of the profits. The towkays finance the fishermen, both Chinese and native, and thereby control the whole catch, which they market at profits alleged to range from 50 per cent to 250 per cent. There have been no significant changes in the mechanics of the commercial side of the industry, but the question of establishing fishermen's co-operative societies is still under examination.

During the year a boat-shed to house an outboard motor-boat and heavy equipment was built. Departmental equipment was increased to satisfactory proportions, and included a 52-foot locally-built vessel fitted with a 30-h.p. Ailsa Craig diesel engine and sails. This craft is to be used for inshore fishing tests and the training of fishermen in the use of auxiliary-powered fishing vessels. The vessel undertook its first cruise in October, in order to familiarise the crew with the handling of the craft and its equipment.

The fishing industry appears to be settling down, and local supplies have improved. This is evident from the marked decrease in inter-port shipments of dried fish and marine products, the average monthly internal trade in these commodities having been approximately 60 per cent of the 1948 trade. The Sandakan fish market throughout the year averaged daily sales of approximately one ton of fresh fish and, although subject to both daily and seasonal fluctuation, the average price per pound for all classes was approximately 15 cents, with a range of from 85 cents for the highest quality to 4 cents for the poorest quality.

The quantity of marine products exported in 1949 was somewhat less than in 1948, but showed a marked improvement over 1947 as illustrated in the table below:

| <i>Year</i> | <i>Weight (tons)</i> | <i>Declared value \$</i> | <i>Export duty \$</i> |
|-------------|--------------------------|----------------------------------|-------------------------------|
| 1947 . . . | 751 | 580,904 | 40,233 |
| 1948 . . . | 1,225 | 800,305 | 80,033 |
| 1949 . . . | 1,106 | 874,640 | 86,512 |

This was due partly to a slackening in demand from Singapore and Hong Kong, and partly to the movement of labour away from fishing as a primary means of livelihood to the more lucrative work of cutting mangrove firewood for export. Another contributory factor which influenced the decline in export was the closure by the Indonesian authorities

of fishing grounds lying between Nonoekan and Tawau. These grounds, a valuable source of the large threadfin (*I. kurau*), were developed during 1947 and 1948 by Chinese fishermen operating from Tawau.

The seed pearl trade of Labuk Bay fluctuated somewhat and plans are being considered for its reorganisation.

| <i>Seed Pearl Fishery</i> | | | |
|---------------------------|---|--------------------------------------|---|
| <i>Year</i> | | | |
| | <i>Calculated Production ozs.</i> | <i>Average Price per oz.</i> | <i>Government Royalty Value</i> |
| | | \$ | \$ |
| 1947 . . . | 3,849 | 58 | 22,698 |
| 1948 . . . | 1,656 | 76 | 12,591 |
| 1949 . . . | 2,339 | 92 | 21,636 |

The information available at present is insufficient to account for the fluctuation in production, but there is a possibility that the very high production for 1947 was due to the markedly reduced fishing during the war years, which allowed the oysters to increase in both size and quantity. A remarkable increase in price in 1949, ranging between \$63 and \$123 per ounce, was possibly due to the world currency restrictions, since the small size of the commodity makes it a very convenient form of exchange.

During the past year there have been several inquiries about the possibility of establishing deep-sea fishing and fish-canning companies in the Colony.

Chapter 7: Social Services

EDUCATION

Although more than four years have passed since the cessation of hostilities in the Far East, it is still necessary to stress the damage from which the Colony suffered under the Japanese. In the field of education the resultant difficulties have been of particular severity since many schools, both Government and those owned by the voluntary agencies, were destroyed or damaged, together with their equipment and records, while their staffs were depleted. The Japanese tried their utmost to uproot the English language and culture by forbidding the use of English and burning English text-books. However, every effort has been made to restore and expand the school system in accordance with a planned system of development.

The number of schools of all types has increased from 193 in June, 1948, to 204 in September, 1949, whilst the total school population has expanded from 15,852 in 1948 to 18,020 on 30th September, 1949. While this is encouraging, there is still a very long road to travel, as it is estimated that less than 4,000 of the pupils are natives of the country, against 14,000 Chinese, and that about 50,000 children of school-going age, mostly natives of the country, are still without facilities for education.

Primary Education

Primary schools fall into four main categories:

- (1) Schools maintained by Government;
- (2) Mission schools, some of which are aided by Government grants;
- (3) Unaided Chinese schools, chiefly maintained by local Chinese communities;
- (4) Private and estate schools.

Government Schools. All Government schools offer primary education for which no fees are charged; they comprise 64 primary vernacular schools in which Malay is the medium of instruction, attended mostly by the children of natives of the Colony, one primary English school in Labuan, attended by both natives and Chinese, and one primary Chinese school, established in 1916 to serve the needs of the Shantung Chinese Settlement in Jesselton. The total number of pupils in Government schools in September, 1949, was 3,811, of whom only 463 were girls. Efforts are being made to increase the number of women teachers to enable more girls to be taught.

*Enrolment in Different Standards in Government Vernacular Schools,
1946-49*

| | | December, 1946 | December, 1947 | December, 1948 | 30th Sept. 1949 | Percentage of total enrolment 1949 |
|-----------------|-------|-------------------|-------------------|-------------------|--------------------|---|
| Standard | I . | 1,843 | 2,237 | 2,155 | 2,039 | 53.51 |
| „ | II . | 400 | 616 | 768 | 902 | 23.68 |
| „ | III . | 158 | 355 | 483 | 536 | 14.07 |
| „ | IV . | 81 | 157 | 253 | 249 | 6.51 |
| „ | V . | 20 | 61 | 76 | 60 | 1.58 |
| „ | VI . | — | — | — | 25 | .65 |
| Total enrolment | | 2,502 | 3,426 | 3,735 | 3,811 | 100 |

Although the above figures show a progressive increase in *total* enrolment, the distribution of pupils between the standards is far from satisfactory. It is disquieting to find that there is still so large a percentage of the total roll in the lowest standard, and that such a large proportion of these leave each year. The chief reason for the large wastage appears to be that parents do not yet fully realise the importance of education and the need for their children to attend a full course of study.

Of the 32 Government schools which existed prior to the war, 15 were totally destroyed and 17 damaged. All these have either been repaired or rebuilt with temporary materials. Many of the present Government school buildings are based on a unit with accommodation for 40 pupils—the greatest number which one teacher should be expected to supervise. A unit is generally a wooden building (20 × 30 feet), painted black and white, with an “attap” or palm-thatch roof, and zinc ridging. There are

no windows, but part of the upper half of the side walls can be raised to admit both light and air. The floors and drainage ditches are of concrete. Such units are relatively cheap and can be built by village carpenters. These village schools have an attractive appearance, especially if enhanced by a river setting of green lawns, mature trees, flower-beds and a school garden.

During the year, three new schools were built at Tungku, Tambisan and Melamam, but they have not yet been opened. Eleven new units were constructed at existing schools either as an extension of the school or to replace buildings in bad repair. Thirteen teachers' quarters were built during the year.

A distinction is drawn between those Government primary schools (mainly situated in rural areas) which provide a four years' course and the full primary establishments with a six years' course. There are at present eight schools in the latter category and it is the policy of Government to increase the number in the main centres as rapidly as possible, provided that the transition is justified by a sufficiently large enrolment in standards III and IV to maintain higher classes of a reasonable size. English is taught as a subject in the two top classes of a full primary school. Another factor limiting increase in the number of schools of this type is the difficulty of finding teachers who have a sufficient knowledge of English to enable them to teach it as a subject.

Mission Schools. The principal missionary societies working in the territory are the Society for the Propagation of the Gospel (Anglican), the Mill Hill Mission (Roman Catholic), the Basel Mission and the Seventh Day Adventists. The number of mission schools both aided and unaided are as follows:

| <i>Mission</i> | <i>Aided Schools</i> | <i>Unaided</i> | <i>Total enrolment</i> |
|----------------|----------------------|----------------|------------------------|
| S.P.G. . . . | 7 | 1 | 1,247 |
| M.H.M. . . . | 28 | 8 | 4,378 |
| Basel | 6 | 5 | 902 |
| S.D.A. . . . | — | 2 | 74 |
| | — | — | — |
| Total | 41 | 16 | 6,601 |
| | — | — | — |

Mission schools are open to fee-paying pupils of all races, and separate schools are, in some cases, provided for boys and girls. Most of the schools are in the primary stage, and the majority are "English" schools, meaning schools in which English is the medium of instruction. A small proportion only of the teaching is in the vernacular, and it is the Missions' policy to introduce English at as early a stage as possible. In such schools the pupils are mainly Chinese, but a few children of other races, for example, Indians, Dusuns and Malays, are also included.

A second category of mission school includes a small number of vernacular schools, usually with one or two classes, and a third type includes purely Chinese schools. These are to be found mainly in the towns, and they resemble closely the traditional Chinese schools, in which Mandarin

is used as a medium of instruction. Provision is usually made for the teaching of English as a subject and for religious instruction.

Chinese Schools. Education in Chinese schools everywhere follows the national pattern of China and is well organised through the agency of school committees. The schools are supported by fees and by public subscriptions.

Chinese schools which numbered 74 (not including Chinese estate schools) with a total enrolment on 30th September, 1949, of 7,406, are mixed schools established by private enterprise in the larger centres of population. Every effort is made to encourage the use of English in such schools, and it is hoped that eventually they may be included in the aided system, thus facilitating improvements in curricula, buildings and the status of teachers.

Estate and Private Schools. There were seven private schools with a total enrolment of 202 on 30th September, 1949. Six of them, which for convenience may be termed estate schools, were opened on the initiative of European estate managers, in order to provide a basic primary education for the children of their estate employees. An English private school for young European children was started in Jesselton in 1949.

Secondary Education

Secondary education ceased completely during the Japanese occupation, and, owing to the encroachments made on primary education during that period, the need to make use of temporary buildings, the paucity of trained teachers and the general lack of equipment, it has been slow in restarting. However, it is pleasant to record that on the 30th September, 1949, 10 English schools had opened secondary classes and five of these were able to enter pupils for the Junior Cambridge examination (the first to be held since the war). The total enrolment in the secondary classes on 30th September, 1949, was 246, of whom 192 were boys and 54 girls. No school as yet ranks as a full secondary school providing school certificate classes, but it is anticipated that one or two will regain this status within the next few years. Nearly all the pupils in secondary classes are Chinese.

In the Chinese system of education the normal primary course occupies six years. The "middle" school is the equivalent of the secondary school and it is divided into a junior and a senior middle school each providing a three-year course. In this country only the former type exists, and on 30th September, 1949, there were two Chinese junior middle schools with a total enrolment of 69, of whom 52 were boys and 17 girls. The plan for post-primary education in Government schools includes provision for a Teachers' Training College to be built in 1950, followed by a secondary school for boys.

Technical Training

The Government Trade School. Approval of a scheme for the establishment of a trade school, financed for five years from Colonial Development and Welfare funds, was received in 1948, and, in 1949, the buildings, consisting of classrooms and offices, two workshops, a small block containing dormitories, dining room and kitchen, and a teacher's house,



With acknowledgments to the Flower Studio, Sandakan
PADI PLANTERS, PENAMPANG



TOBACCO FERMENTATION SHED, SEGAMA ESTATE



With acknowledgments to R. Knowles, Esq.

TRADE SCHOOL, MENGGATAL



DISTRICT OFFICER STUDIES A MURUT'S SWORD



JESSELTON



TIMBER LOGGING POND, SANDAKAN



With acknowledgments to the Flower Studio, Sandakan
PADI FIELDS, TUARAN



ADVISORY COUNCIL, DECEMBER, 1949

were constructed at Menggatal, 9 miles from Jesselton, on the main road to Tuaran. The buildings, which are of a semi-permanent type, with wooden walls and an "attap" roof, were completed in March, 1949.

The Trade School opened on 16th August, 1949, with 10 boarders and three day-boys (the total number has since increased to 17). The pupils were chosen on the recommendations of District Officers and headmasters of Government schools. They are between the ages of 14 and 17 years and have passed at least the fourth standard in a primary school. The school is intended primarily for native boys, and no fees are charged.

In the absence of the chief instructor, who did not arrive until November, the school opened under the charge of a vernacular school headmaster, who had received training at a Malayan trade school. The full teaching staff will consist of the European chief instructor and two Asian assistant teachers.

The intake of pupils each year is expected to be 20 boys, half of whom will be boarders. At the beginning of the third year, therefore, the school should have its full complement of 60 students.

In 1950, two parallel courses will be provided, each of two to three years duration; the one being carpentry with a bias towards building construction, and the other designed for the training of mechanics and fitters. Instruction includes drawing and reading of plans, mensuration and costing, arithmetic and English.

Additional funds have recently been provided by a Colonial Development and Welfare scheme to enable quarters to be built or purchased for the chief instructor and one assistant teacher.

Training of Teachers

The most noticeable defect of the school system is the paucity of trained teachers, and it is desirable that the agencies engaged in large educational operations should set before themselves the task of establishing a cadre of trained teachers. Since there are no facilities for the training of teachers in North Borneo, a nucleus of trained teachers for the Government vernacular schools had to be engaged from Malaya at a point in the scale to which their qualifications entitled them.

The great majority of teachers employed in Government vernacular schools are, unfortunately, very poorly qualified. Few can speak English or have received any education beyond that obtainable in the fifth standard of a Malay vernacular school, while only 14 out of a total establishment of 169 are trained teachers.

Since the war four men have been trained in Sarawak, but no more entries can be accepted there at present from this Colony and accommodation in the Malayan teacher-training institutions is also extremely limited. The establishment of a local teachers' training college is, therefore, a matter of urgent necessity, if the general standard of education available is to be raised above its present level and the children given sufficient elementary education to qualify them for entry into a secondary school.

It is proposed, therefore, that a college should be built in 1950 at Tuaran, a town lying 21 miles north of Jesselton, where a suitable site has been found for the buildings on high ground overlooking a level fertile

plain. Adjacent to this site is a Government vernacular school which can be used as a practising school for the pupils at the college. Playing fields are in existence and will be available for use by the college students. An ample supply of water can be pumped from the Tuaran River which is situated at a short distance from the site.

At the end of September, 1949, the total number of registered teachers was:

| <i>Schools</i> | <i>Men</i> | <i>Women</i> |
|----------------------|------------|--------------|
| Government | 132 | 9 |
| Mission | 197 | 134 |
| Chinese | 211 | 63 |
| Others | 12 | 3 |
| | <hr/> | <hr/> |
| Total | 552 | 209 |
| | <hr/> | <hr/> |

Higher and Adult Education

Apart from training provided for employees by various Government Departments there are at present very few facilities for the education of adults. The North Borneo Branch of the British Red Cross Society gives lectures in child welfare, home nursing and first aid. There also exist one or two institutions at which it is possible for adults to obtain instruction in commercial subjects, and in English and Mandarin. Evening classes for estate workers have also been organised on certain estates.

A scholarship for higher education was awarded during the course of the year by the British Council to a native administrative officer who is taking a course in local government administration at the University College at Exeter. In addition, fellowships were awarded by the Australian Government to two candidates, one of whom, a Public Works Department junior officer, is studying civil engineering and the other, a telecommunications junior officer, is to study telecommunications.

Gifts of Books, etc.

The Education Department is grateful to the Government of Australia for a most generous gift amounting to £A. 3,500 for the purchase of text-books for use in primary and secondary schools, library books and for visual aid equipment. It is also indebted to UNESCO for text-books to the value of £70 for the Teachers' Library (the grant was made out of the sums allocated to UNESCO by the Lord Mayor's Appeal Fund for Children); and to the British Council for books to the value of £42 to be used in the Teachers' Training College.

HEALTH

Medical Department

The Medical Department maintains hospitals at Labuan, Beaufort, Keningau, Papar, Jesselton, Kota Belud, Kudat, Sandakan, Lahad Datu, Semporna and Tawau with a total of 825 beds. Subsidiary to the main hospitals, there are numerous dispensaries distributed throughout the districts, many of which provide temporary accommodation for in-patients. The dispensaries are in the charge of qualified dressers, who are under the

close supervision of the District Medical Officers, and these dispensaries serve as feeders for the central hospitals as well as dealing with day-to-day ailments. Medical facilities are brought to the more remote and isolated communities by means of travelling dressers.

A leper settlement was maintained at Berhala Island throughout the year for 51 resident patients. Treatment with sulphetrone led to a remarkable improvement in most of the lepromatous cases. The use of this drug, giving a prospect of cure and of return to their homes in three to four years, has altered the entire atmosphere at the settlement from one of gloom to happiness.

Buildings

The reconstruction and repair of buildings destroyed or damaged during the war continued throughout the year although most of the work was of a temporary nature pending the completion of the various town plans. Nevertheless some permanent construction was possible, such as the new first-class and maternity wards at the Jesselton Civil Hospital.

General Health

The year 1949 continued to show a steady improvement in the health of the population. There were no outbreaks of serious epidemic disease. The progress in organising the health and medical services recorded in 1948 continued and a health division was established. This resulted in strengthening the preventive measures against infectious diseases, and made possible public health services to the individual, such as the work performed at the maternity welfare and child health centres, and health education in schools. The nutrition of the population improved considerably; frank cases of avitaminosis were seldom seen. The control of malaria, by the use of D.D.T. residual sprays on the internal walls of houses, the advertisement and use of paludrine as a prophylactic measure, and the clearing of undergrowth in the immediate vicinity of houses, was pressed forward to the greatest possible extent. Reports from Medical Officers indicated a decrease in the incidence of the disease. Tuberculosis of the lungs remained a serious problem, but much progress was made in treatment facilities and in the examination of contacts.

During 1949 nine maternity and child welfare clinics were in operation as compared with four in 1948.

Vital Statistics

Owing to the inaccessibility of many parts of the Colony the figures given for vital statistics must be treated with considerable reserve. While the figures collected for the towns are accurate, the same cannot be said for those collected from the rural areas. Many of the villages are several days' journey away from the nearest administrative centre, and the duty of reporting births and deaths falls upon the various headmen. In some cases their visits to district headquarters are made only at long intervals, and it is certain that some births and deaths are overlooked. This would be the case more particularly where births are concerned, for, while, in certain native areas, deaths are an event of which the whole village takes cognizance, in view of the widely-held belief that unfriendly spirits are

their cause, births are an event of purely family significance. The following figures, however, may be taken as a near estimate:

| | 1946 | 1947 | 1948 | 1949 |
|---|-------|-------|-------|-------|
| Births registered . . . | 4,377 | 6,630 | 6,716 | 8,037 |
| Deaths registered . . . | 3,976 | 5,136 | 4,552 | 4,298 |
| Excess of births over deaths | 401 | 1,494 | 2,164 | 3,739 |

The infant mortality rate was estimated to be 112 per 1,000 live births, and the maternal mortality rate 7·8 per 1,000 births.

The main causes of death were fever (unclassified), malaria, pneumonia, tuberculosis and dysentery. Detailed statistics would be unreliable as less than 5 per cent of deaths are certified by medical practitioners.

HOUSING

Urban Housing

Since the war the housing problem in the main towns has been acute. Sandakan and Labuan were completely destroyed, and Jesselton very severely damaged in the operations immediately preceding the liberation. Temporary settlements are still in existence and will remain until suitable town planning schemes can be prepared. Aerial surveys have been made of the main towns and maps are in preparation for planning purposes and it is hoped that permanent building will be possible in the near future.

Considerable strides have been made in the provision of housing for Government officers. Large scale improvements in senior and junior officers' quarters were carried out and improved scales of furniture issued. During the year 17 permanent or semi-permanent houses and five temporary houses were constructed for senior officers. During the same period 66 temporary quarters were provided for junior officers.

Rural Housing

The housing needs of the rural population are essentially simple. Among the settled and prosperous Dusuns of the coast and inland plains the age-long system of communal houses has been discontinued and their villages now consist of groups of houses clustered together among fruit and coconut trees. In general, these houses, as nearly everywhere in North Borneo, are raised above the ground on piles and entered by means of a ladder or notched tree trunk. Their construction is primitive—wooden posts, bamboo, bark, sago-leaf, or occasionally, plank walls, and a thatched "attap" roof made from the leaves of the nipah or sago palm, materials which are always available. On the heavily populated Tambunan plain in the interior, it is of interest to note that the Dusuns build their houses entirely of bamboo.

Among the more primitive Muruts and Hill Dusuns "long-houses" are still the rule, although the practice tends to die out when they come in close contact with outside influences. A Murut long-house may be as much as 200 feet long and will contain the whole village. It consists of a long central passage with family cubicles, each self-contained, opening off both sides, with a large open space in the centre which serves as the public meeting-

place where guests are entertained or celebrations held. In the centre of this will generally be found a sprung dance floor. An alternative pattern is a wide public veranda running the full length of the building, with doors opening into the separate family rooms. These houses rarely last more than two or three years. Quite apart from the flimsy construction, any one of a number of superstitions will cause the occupants to desert their house to build a new one.

Rest Houses

With the rapid development of the Colony the need for more rest-house accommodation has been acknowledged, and, during the year, an additional seven rest houses, at Pensiangan, Sepulot, Keningau, Tenom, Sipitang, Kota Belud and Tawau were constructed. Work on the construction of an airport rest house at Labuan is in progress, while in Sandakan, Malayan Airways, Ltd., have acquired a site on which they propose to erect a hotel in 1950.

Town Planning

Owing to difficulties in obtaining suitable maps for all the main towns in North Borneo, and to the difficulty of recruiting assistants for the Town Planner, on a short-term basis, practically no progress was made in town planning during the year. The problem had to be reviewed, and it has been decided to proceed with town planning proposals on a Government departmental level, with the Surveyor-General co-ordinating planning at the executive level.

SOCIAL WELFARE

During the year 21 voluntary local committees were established under the War Victims Fund Ordinance to check and report upon applications for relief within their areas. A Board of Trustees was formed with sub-committees at Sandakan and Jesselton to consider these reports. They approved outright awards totalling \$6,967, subsistence grants and immediate relief to the amount of \$27,802, and school fees totalling \$14,682. In addition they arranged for hospital treatment, the free issue of rice and special diets, and the distribution of relief clothing to necessitous cases.

At the end of the year 730 persons together with 1,959 dependants were registered for relief. Six hundred and ninety-four children were enabled to continue their education at 50 schools as a result of the assistance afforded to them. War victims receiving free issues of rice each month numbered 466, while a further 167 persons were granted monthly subsistence allowances on the grounds of sickness, old age, and other disabilities.

During the year the assets and liabilities of the Sandakan War Memorial Fund were taken over by the War Victims Fund. Support from all sections of the community was excellent and donations for the year amounted to \$25,132.

Chapter 8: Legislation

Laws Applicable in the Colony

The laws applicable in the Colony fall into four divisions:

- (1) Ordinances and subsidiary legislation of the former State of British North Borneo applicable in the mainland (i.e. the former State of British North Borneo);
- (2) Such ordinances and subsidiary legislation of the Straits Settlements as were applicable in Labuan on 15th July, 1946;
- (3) British Military Administration proclamations and subsidiary legislation made thereunder applicable throughout the Colony;
- (4) Ordinances and subsidiary legislation of the Colony of North Borneo also applicable throughout the Colony.

Legislation During 1949

During the year under review, 39 ordinances were enacted by the Governor after consultation with Advisory Council, the most important of which were those dealing with income tax, labour and war damage. The Income Tax Ordinance and (Amendment) Ordinance (No. 1 and No. 36) provided for the imposition of income tax and followed broadly the provisions of the colonial model ordinance. Its operation was, for the time being, limited to companies. The Labour Ordinance (No. 18) repealed the existing law and enacted a modern code comprising five parts divided into 17 chapters. It included those provisions which were enacted in 1948 and carried into effect the provisions of further International Labour Conventions. The War Damage Ordinance (No. 37) provided for the setting up of a statutory commission to receive and assess applications for compensation for war damage and to make payments of *ex gratia* awards.

Of the remainder the more important were as follows:

Legislation regulating the relationship between debtors and creditors in respect of the occupation period. An attempt to solve the problems arising out of the relationship between debtors and creditors in respect of outstanding debts incurred during and before the occupation period was made by the enactment of the Debtor and Creditor (Occupation Period) Ordinance (No. 2); complementary to this was the Titles to Land (Occupation Period) Ordinance (No. 3) which laid down the principles of settlement of land transactions arising during the occupation period. Simultaneously, with the enactment of these measures the Restriction of Civil Jurisdiction and Registration Ordinance, 1946, and the Moratorium Proclamation were repealed (Nos. 5 and 7), and the Limitation (Special Provisions) Ordinance (No. 6) providing for the exclusion of the occupation period in computing the period of limitation in respect of any suit was enacted.

Commercial legislation. The Trade Marks Ordinance (No. 14) and the Merchandise Marks Ordinance (No. 15) replaced the previous legislation on the subject. The former embodied the modern procedure with regard to registration of trade marks while the latter dealt with the protection

of marks generally. The Registration of United Kingdom Patents Ordinance, 1937, was amended (No. 16) to unify the law throughout the Colony, to reconstitute the North Borneo register, which was lost during the occupation period, and to provide for the registration in the Colony register of grants in force in Labuan.

Loan legislation. The General Local Loan Ordinance (No. 11) and the General Loan and Stock Ordinance (No. 12) were enacted to govern the conditions under which loans might be raised locally and in London, while the Trustee Investment in North Borneo Government Securities Ordinance (No. 13) enabled any loan issued by the Government of the Colony in the United Kingdom to be included in the list of colonial stocks in which trustees may invest.

Security legislation. The Police Force Ordinance (No. 21) which repealed and replaced all previous legislation relating to the constabulary also made provision for the formation of a force of special constabulary. The Registration of Aliens Ordinance (No. 22) provided for the registration of aliens. The Societies Ordinance (No. 33) made the registration of local societies compulsory. The Emergency Powers Ordinance (No. 32) was in the form common to most Colonies. The Restricted Residence Ordinance (No. 34) provided for the control of undesirable persons. The National Emblems (Restriction of Display) Ordinance (No. 39) restricted the display of national emblems.

Nationality legislation. The Repeal of Naturalisation Laws Ordinance (No. 9) repealed the local law on that subject and the British Nationality (Miscellaneous Provisions) Ordinance (No. 25) enacted for the Colony provisions which were complementary to the British Nationality Act, 1948.

Legislation controlling theatres, places of public amusement and cinematographs. The Theatres and Places of Public Amusement Ordinance (No. 20) and the Cinematograph Films (Control) Ordinance (No. 28) enacted up-to-date legislation dealing with the control of those matters for the whole Colony.

Miscellaneous. The Road Traffic (Third-party Insurance) Ordinance (No. 23) provided for the protection of third parties against risks arising out of the use of motor vehicles on the public roads and was in common form. The Opium and Chandu Ordinance (No. 27) followed the Proclamations in force in Malaya and dealt with the suppression of trade in and use of opium and its by-products. The Trade Unions and Trade Disputes (Amendment) Ordinance, 1949, (No. 31) provided *inter alia* for the reference of disputes to arbitration tribunals. The Custodian of Property (Amendment) Ordinance (No. 30) empowered the Governor to direct the Custodian to sell or otherwise dispose of property under certain conditions. The Chief Secretary Incorporation Ordinance (No. 26) constituted the Chief Secretary as a body corporate.

Chapter 9: Justice, Police and Prisons

JUSTICE

System of Courts

The courts for the administration of civil and criminal law are:

- The High Court
- The Sessions Courts
- The Magistrates' Courts
- The Native Courts.

The High Court is composed of the Chief Justice and such other Judges as are appointed under the Procedure Ordinance, 1926, and is a court of unlimited criminal and civil jurisdiction. Appeals from the High Court lie to the Full Bench of the High Court which is constituted by three or more Judges with the Chief Justice, when available, as President.

For the convenient conduct of judicial work the Colony is divided into sessional and magisterial divisions corresponding with areas administered by Residents and District Officers respectively.

The Sessions Courts' jurisdiction is prescribed by the Criminal and Civil Procedure Codes and the local ordinances. Appeals lie from the Sessions Courts to the High Court which may be constituted either by the Chief Justice alone or by two or more Judges when called upon by the Chief Justice. All sentences of death passed by a Sessions Court are subject to confirmation by the Chief Justice, and all sentences of death or imprisonment of 10 years or more passed by the Sessions Court are subject to review by the Governor. Criminal trials in Sessions Courts are held by a Judge sitting with not less than three assessors, but the Judge is not bound to conform to the opinions of the assessors although he must pay them due regard. There is as yet no jury system in the Colony.

The Magistrates' Courts are divided into four classes: district, first class, second class and third class. Their civil jurisdiction is limited to suits the value of which does not exceed \$500, \$500, \$250, and \$100 respectively, and criminal jurisdiction as assigned by the Criminal Procedure Code, with some extensions or limitations imposed by local ordinances. Appeals from the district or first class magistrate lie to the High Court, and from the second and third class magistrates to the district magistrates.

Native Courts have the jurisdiction given by the Native Administration Ordinance, 1937, from which an appeal lies to the District Officer, from the District Officer to the Resident and from the Resident to the Governor.

System of Criminal Law

The criminal law of the Colony is based on the Indian Penal Code with amendments. The Indian Criminal Procedure Code as amended by the Procedure Ordinance, 1926, governs criminal procedure, and the Indian Civil Procedure Code as amended by the Procedure Ordinance, 1926, governs the civil procedure of these Courts. There are a large number of adopted acts and local ordinances. A great deal of the law and

procedure is unduly complicated and it is proposed to simplify the system as soon as possible.

The work of the Courts has shown a very considerable increase in the last year, as the tables in Appendix II show, although even so criminal cases and civil cases of all kinds in every Court from the High Court to that of the most junior third class magistrate average less than eleven a day throughout the whole territory, and of these the average number of criminal cases, classified as warrant cases, does not exceed two a day, a notable tribute to the law-abiding habits of the 345,000 people of this territory.

POLICE

Organisation and Composition

The police force—the North Borneo Armed Constabulary—has an approved establishment of 17 gazetted officers, 11 inspectors and 935 other ranks. During the year an increase of three gazetted officers and three inspectors was approved for 1950. The actual strength at the end of 1949 was 15 gazetted officers, 8 inspectors and 826 other ranks.

The greater part of the force is recruited locally, Dusuns, Muruts and Bruneis predominating, but 33 Sikhs and Pakistanis remained in the Force.

Special courses were run for recruits who, owing to war privations, did not measure up to the normal physical standards. The results were good and it is gratifying to record that, living under healthy conditions, with good food and regular exercise, these recruits soon attained the required physical standards.

The headquarters of the force, the Training Depot, the Criminal Intelligence Department and the Special Branch are at Jesselton.

The Colony is divided into three Police Divisions with local headquarters at Jesselton, Sandakan and Beaufort. With an increase in officer strength, it has become possible to exercise closer supervision over the force in outstations.

Constabulary Reserve

The Constabulary Reserve increased in strength to 60 men, an increase of 22 over the previous year. As this force is composed of men who have served for a minimum period of three years in the Constabulary, it constitutes a valuable reserve in an emergency.

Legislation to permit the formation of a Special Constabulary has been passed.

Transport and Communications

Transport difficulties have been eased by the acquisition of three Chevrolet 15-cwt. pick-ups, two land Rovers and two motor cycles. Additional road transport is expected to become available shortly and a launch is to be provided in 1950. In addition a radio communication scheme is under active consideration.

Despite these improvements, the problem of transport and communication continues to be one of the principal difficulties in dealing with what little crime there is. Each town or village is a unit in itself, and except in some areas on the west coast, even if notification is received,

assistance cannot be sent without very considerable delay. Many journeys entail travel through jungle or along shallow rivers where rapid progress is impossible.

Buildings

The effect of the war, coupled with physical and financial limitations, have made the question of accommodation a major problem. Nevertheless a large programme of reconstruction has been approved for 1950, while it is expected that the completion of town plans will render it possible to erect permanent buildings in the larger centres in the course of the next few years.

General

The Police Adviser to the Secretary of State visited the Colony during the year and inspected several stations on the west coast.

A new Police Force Ordinance was passed in December, which, when it comes into force, will change the title of the Constabulary to the "North Borneo Police Force" and provide for the formation of a Special Constabulary.

Types of Crime

While fortunately the incidence of crime is still low, there has been an increase in serious crimes compared with last year, as the following figures show:

| <i>Offences Against the Person</i> | | | | | | |
|------------------------------------|---------------|-------------------------|--------------------------|----------------------|-------------|-----------------------|
| <i>Year</i> | <i>Murder</i> | <i>Attempted murder</i> | <i>Culpable Homicide</i> | <i>Grievous hurt</i> | <i>Rape</i> | <i>Minor Offences</i> |
| 1947 . | 9 | 4 | 6 | 25 | 5 | 167 |
| 1948 . | 6 | — | 2 | 22 | — | 198 |
| 1949 . | 11 | 4 | 1 | 37 | 6 | 166 |

| <i>Offences Against Property</i> | | | | | | |
|----------------------------------|---|----------------|-----------------------|--------------------|--------------------|-----------------------|
| <i>Year</i> | | <i>Robbery</i> | <i>House breaking</i> | <i>Major Theft</i> | <i>Petty Theft</i> | <i>Minor Offences</i> |
| 1947 . | . | 12 | 24 | 261 | 485 | 169 |
| 1948 . | . | 8 | 6 | 89 | 483 | 137 |
| 1949 . | . | 32 | 2 | 156 | 334 | 123 |

The increase in robberies reported is due to a series of dacoities committed at sea off the east coast by persons not resident within the Colony. No less than 22 such reports had to be classified as undetected for, by the time the report was made, the offenders were away. Theft showed a satisfactory decrease but there was an increase in major theft, i.e. in cases where the value of property stolen was over \$100.

Traffic offences increased by 613, partly because of the increase in the number of vehicles in the Colony, but principally because the police began to take action against offenders after a period of warning.

The comparative table below gives the number and result of reports in which the police took action,

| <i>Year</i> | <i>Number of cases reported</i> | <i>Brought to Court</i> | <i>Number of Persons Convicted</i> |
|--------------|---|---------------------------------|--|
| 1947 | 2,418 | 1,384 | 1,486 |
| 1948 | 1,995 | 1,484 | 1,293 |
| 1949 | 2,915 | 2,571 | 2,482 |

Decorations

During the year the Governor presented a number of decorations which had been awarded to members of the Constabulary. Many of these were for services performed during the war, but some were also for long and meritorious service.

PRISONS

All prisons and lock-ups are under the control of the Commandant of Constabulary as Inspector of Prisons.

During the year there were 667 male and 35 female admissions, a very satisfactory decrease from the 1948 figures which were 852 and 28 respectively. Escapes numbered three; all were re-captured. There was one execution.

Buildings

North Borneo possessed two prisons, one in Jesselton and the other in Sandakan. Both were destroyed during the war and the present buildings are temporary structures. Plans for the construction of a central prison and prison farm in rural surroundings near Jesselton are in the course of preparation.

The majority of Government stations have lock-ups for short-term prisoners. Many of these were damaged or destroyed during the war, and the programme of reconstruction will be continued in 1950.

Prison Trades

Boot-making, carpentry, metal work and rattan work were taught in the prisons. The prison garden at Jesselton provided a supply of green vegetables throughout the year for prison use and in addition made a profit on sales to the Constabulary canteen.

Juvenile Offenders

Twelve juvenile offenders were admitted to prison during the year and 14 others were sentenced to whipping with a light cane. In all, 23 juveniles were detained on remand overnight pending trial. A scheme to provide for extra-mural sentences for juvenile offenders and women is under consideration.

Chapter 10: Public Utilities

WATER

In rural areas drinking-water is obtained from wells, ponds, streams and rivers, the supply being ample but liable to contamination. In the main

towns, water supplies have been taxed to their fullest capacity on account of the expansion of piped water-consuming areas and the increased demand from shipping using the ports. This demand has been met as far as possible, in spite of the poor condition of much of the pumping equipment and pipes. It is hoped that, in 1950, further replacements will be effected as orders for new plant are fulfilled. In the principal towns the position was as follows:

Jesselton. Jesselton is fortunate in having an adequate catchment area within four miles of the town. The water is impounded in a reservoir of some 6 million cubic feet capacity. It is pumped from the intake to an elevated service reservoir of 40,000 gallons capacity where it is chlorinated and then gravitated to Jesselton. The water is soft and potable, but is heavily charged with finely divided clay, which raises such difficulties as the rapid encrustation of pipes, necessitating the constant cleaning of reservoirs and tanks and the scouring of mains.

It is satisfactory to record that a continuous 24-hour supply was made available and that water rationing has ceased over the greater part of the town and suburbs. This was made possible by the installation of two Tangye pumps, the laying of 12 miles of mains, and the installation of two overhead tanks each of 12,500 gallons capacity. Much work remains to be carried out, and this will be done as supplies become available. Although the present water supply is chlorinated, there is no filtration or sedimentation; neither is there a service reservoir of sufficient capacity and elevation to provide an economic reticulation which is so necessary for fire-fighting.

Sandakan. In the town area the water supply is piped, but the suburbs still depend on springs and wells. There are two sources for the former, a pump supply and a gravity supply. In the first case the water is pumped $3\frac{1}{4}$ miles, in twin 6-inch mains, from Batu Lima, by two electrically driven pumps of 150 gallons per minute capacity, to a service reservoir of 145,000 gallons capacity. After chlorination it is gravitated to houses and stand-pipes in the town. Elevated areas are dealt with by the use of gravity supplies from high level tanks, which are filled by supplementary pumps at the service reservoir.

The second source is a supplementary supply fed through a 6-inch main from an impounding reservoir a mile from the town. Its reputed capacity is over 2 million gallons, but it is unreliable, as it dries up during dry weather.

There was a marked increase in consumption during the year, the total being over 35 million gallons, compared with 25 million gallons in 1948. Shipping was supplied with over $3\frac{1}{2}$ million gallons, compared with just over 2 million gallons in the previous year. Over 400 new consumers were added during 1949.

The town received a 6–8 hours supply daily, but the quantity supplied to shipping was unrestricted.

Labuan. The water supply in Labuan comes from nine boreholes, each approximately 200 feet in depth, which were constructed by the Australian Forces during the liberation period. The supply continued to be sufficient for all purposes, including shipping requirements. Shipping

was supplied with $3\frac{1}{2}$ million gallons during the year, compared with $2\frac{3}{4}$ million gallons in 1948.

Other Towns. At Lahad Datu water is pumped from the river to overhead service tanks and from there it gravitates to the town. At Beluran a small impounding reservoir of 10,000 gallons capacity was built. The water is piped by gravity to the town. There are other small systems serving Tenom, Weston and a part of Beaufort.

ELECTRICITY

During the year Government continued to supply both Jesselton and Labuan with electricity, while Sandakan, Beaufort, Tawau, Kudat and Papar were supplied by private enterprise. It was found necessary, however, to close down the Beaufort supply during the year, as the supply system did not comply with the standards laid down in the Electricity Ordinance.

Jesselton. The negotiations with the Jesselton Ice and Power Co., Ltd., reported in the 1948 Annual Report, were concluded satisfactorily, and their concession has been terminated. With what remained of the Company's plant, after the severe damage it sustained during the war years, and new equipment acquired since the war, the Public Works Department has operated a limited service.

During the year this limited service was considerably improved. By the end of 1949 plant totalling 465 kw., compared with 159 kw. at the close of 1948, was in operation, and a 24-hour service was introduced in the commercial area for the first time since the liberation. It is hoped to extend the 24-hour service to further areas in the near future.

A large programme of construction and reconstruction was carried out which included the elimination of petrol-driven prime movers, the installation of new plant, the reconstruction of mains service lines, and the installation of indoor wiring (over 23 miles of cable were used), transformers and meters. A part of this programme was executed by a Singapore firm under contract.

Sandakan. Electricity in Sandakan is supplied by the Sandakan Light and Power Co., Ltd. Their plant suffered very heavy damage during the war but, to a great extent, their rehabilitation programme has been completed.

Labuan. The Public Works Department has continued to operate the plant at Labuan, and, with the installation of the 25 kw. diesel-generated set reported last year, and the rewiring of the business premises in the town, it has been possible to extend the service over a much wider area.

Chapter II: Communications

ROADS

The construction and maintenance of roads in North Borneo is subject to unusual topographical and climatic difficulties. The main centres of population are separated in many cases by mountain ranges and swamps, while the rivers are subject to sudden and severe flooding. Heavy tropical

downpours at certain seasons of the year add to these difficulties, particularly in steep and mountainous country, where the danger of roads being washed away necessitates metalled roads sealed with asphalt.

The mileage of roads and bridlepaths in the Colony at the end of the year was as follows:

| | |
|---|-----------|
| (i) Metalled roads with asphalt surface | 130 miles |
| (ii) Other metalled roads | 23 „ |
| (iii) Earth roads | 225 „ |
| (iv) Bridle paths (6 feet to 8 feet wide) | 578 „ |

Efforts were continued during the year to maintain these roads at a reasonable standard. The Colony is still suffering from the neglect and wear and tear of four years of enemy occupation, and the rehabilitation of virtually all the roads in the territory must go hand in hand with the construction of the new roads which are so essential to the Colony's economic development.

In Jesselton the roads had reached a dangerous stage of deterioration and the Public Works Department was engaged in a programme to widen these roads to the standard metalled carriage way of 22 feet. The widening of roads in this manner has become essential in view of the rapid increase in the number of vehicles in the past two years.

Temporary bridges are being replaced by permanent reinforced concrete structures designed for Ministry of Transport loadings. For reasons of economy these are standardised in multiples of 5 feet. During the year two bridges, each of 40 feet span, were built in the Jesselton area.

Maintenance work during the year included the re-surfacing of three miles near Jesselton, two miles near Sandakan, one mile in Labuan, three miles in Kudat and eight miles at Lahad Datu. In addition a considerable mileage was reconditioned by patching.

At the same time new construction was continuing and the main earth-works of the road connecting Jesselton and Kota Belud, 49 miles apart, were completed. In the Klias peninsula, near Beaufort, 14½ miles of earth roads were constructed, while at Papar work continued on the complete reconstruction of the Bukit Manggis road, which, upon completion, will be extended to the foot of the Crocker Range, a distance of 12 miles, and lead to the opening up of valuable rice-growing areas. At Sandakan a commencement on the 10 miles extension of the Labuk road was made.

RAILWAY

The Government-owned North Borneo Railway, which provides the principal means of communication along part of the west coast and to Melalap in the interior, has been an important factor in the development of these areas. Starting from Jesselton it serves the districts of Putatan, Papar, Benoni, Kimanis, Bangawan, Membakut and Beaufort, passing through country well populated with natives of Borneo and Chinese, and serving many large rubber estates.

From Beaufort a branch line, 20 miles in length, runs down to the coast at Weston (connected by launch with the port of Victoria on Labuan

Island). This branch line passes through large and small rubber estates and many native and Chinese small-holdings, while the main line proceeds on its way to Tenom and Melalap through the Padas river gorge, before entering the fertile Tenom valley.

The total length of the railway, however, is only 116 miles. It is of metre gauge and was first opened on the Beaufort-Weston line in 1900 and was extended to Jesselton and Tenom in 1902. The whole system, together with locomotives, rolling stock, machines, tools and general equipment sustained exceptionally severe damage during the war. The pace of reconstruction and rehabilitation, which continues to be governed by the delivery of new materials and equipment, was slow.

One great advance, however, was made towards the end of the year, when steam locomotives were again brought into use on the Gorge Line between Beaufort and Melalap for the first time since the liberation of the territory. Prior to this, the service had been maintained by converted jeeps, light-weight petrol locomotives, and rail cars.

The present power and stock position compared with the position before the war, and last year, is as follows:

| | | <i>End</i> 1941 | <i>End</i> 1948 | <i>End</i> 1949 | |
|---------------------|-------|--------------------|--------------------|--------------------|---|
| Steam locomotives | . 12 | 3 | 4 | | In addition there were: 2 in course of rebuilding (boilers awaited from U.K.). 2 pre-war engines laid up awaiting heavy repairs. 3 second-hand locomotives from Belgium under modification. |
| Petrol locomotives | . Nil | 4 | 4 | | Haulage capacity 20 tons only. |
| Sentinel shunter | . 1 | 1 | 1 | | |
| Rail cars | . 8 | 4 | 4 | | New equipment. |
| General wagon stock | . 156 | 80 | 144 | | This figure includes 20 flat-tops and 30 lowside wagons obtained from Belgium, and in limited use pending modification of draw-gear. |
| Coaching stock | . 36 | 18 | 18 | 4 | others in course of rebuilding. |

It will be noted that the power and stock position is still very precarious; it is all the more serious because the traffic handled far exceeds the pre-war figures. The coaching and wagon stock rebuilding programme has been retarded by the lack of woodworking machinery which necessitates a great deal of manual labour and, similarly, the engine repair and rebuilding programme is behind schedule, owing to the lack of sufficient machine

tools. The delay in the arrival of two new locomotive boilers seriously affected rehabilitation, while the shortage of subordinate supervisory and skilled artisan staff also proved a serious handicap throughout the year.

The four rail cars received at the end of 1948 were an important asset particularly on the Gorge Line, where one operated regularly. Two 52-seater units, which were expected at the end of the year, will not arrive until mid-1950. When they are put into service these units will provide a very valuable addition to the coaching-stock facilities provided for the public.

The restriction on through-working necessitated by the limited load capacity of the Bailey bridge over the Papar River militated against any improvement in the timings of the mixed trains between Jesselton and Beaufort. The construction of a new bridge at this site is at present under consideration.

Despite all these difficulties, the traffic handled by the railway during the year created a record. Compared with the figures for ten years ago the number of passengers carried was more than doubled, while the tonnage of goods freighted was almost doubled. The following comparative figures are of interest:

| <i>Year</i> | <i>Passengers carried</i> | <i>Goods (tons)</i> |
|------------------|-------------------------------|-------------------------|
| 1936 . . . | 106,128 | 10,549 |
| 1937 . . . | 146,497 | 16,709 |
| 1938 . . . | 132,225 | 13,952 |
| 1939 . . . | 143,612 | 14,292 |
| 1940 . . . | 173,125 | 21,334 |
| 1941 } 1946 } | not available. | |
| 1947 . . . | 124,776 | 22,068 |
| 1948 . . . | 289,865 | 24,198 |
| 1949 . . . | 298,000 (approx.) | 25,145 (approx.) |

HARBOURS AND SHIPPING

Though considerable improvements were made to port and harbour installations during the year, the extent of the damage suffered during the war was so great that the position cannot be considered satisfactory until new permanent structures are built. A firm of consultant engineers has submitted a report on the reconstruction of the wharves at Labuan, Jesselton, Sandakan, Kudat and Tawau, and this has been followed up by hydrographic surveys, as a preliminary to the work of reconstruction.

Some 1,958,508 gross tons of shipping used the harbours of the Colony during the year compared with 813,722 tons, net register, last year, and 500,784 tons of cargo was handled compared with 201,244 tons last year. Of this total 223,559 tons passed over Colony wharves, compared with 128,294 tons last year, the remainder being transhipped to adjacent territories.

The shipping tonnage (gross register) using the seven main ports was as follows:

| | |
|----------------------|---------|
| Labuan | 621,607 |
| Sandakan | 611,494 |
| Kudat | 202,732 |
| Jesselton | 202,713 |
| Tawau | 181,494 |
| Lahad Datu | 67,744 |
| Semporna | 56,806 |

Navigational aids—of particular importance in the difficult waters around North Borneo's coasts—were further improved during the year. At the beginning of the year, the buoy on the Barat bank to the west of Labuan was replaced by a light buoy, thus considerably improving the navigational aids at the entrance to Brunei Bay. Early in the year a light was established on Kalampunian Island, an important light to the north of the territory. At the same time lights were established on new beacons at Sandilands rock at the entrance to Kudat Harbour and at Armstrong reef at the entrance to Lahad Datu. A temporary light—which it is hoped to replace by a permanent structure in 1950—was erected at Tanjong Trang near the most easterly point between Sandakan and Tawau. Another light was set up to Batu Tinagat, which is important for the approach to Tawau. The question of restoring the lighthouse on Taganac Island is still the subject of negotiation with the Government of the Philippine Islands. The original light, which was of the greatest value to shipping entering Sandakan, was destroyed during the war.

In addition, new beacons marking coral reefs in Jesselton harbour were erected, while routine servicing and maintenance of navigational aids was carried out regularly.

Aircraft mooring-buoys were maintained at Labuan, Jesselton and Sandakan harbours.

The shipping services operating to North Borneo during the year were as follows:

| | |
|--|--|
| The Blue Funnel Line | —calling at Labuan with direct shipments from the U.K. and loading with timber at Labuan and Sandakan. |
| The Burns Philip Line | —calling at Labuan with direct shipments from Australia. |
| The Indo-China S.N. Co. Line | —calling at east coast ports for timber. |
| The South African Railways and Harbour Line | —calling at Labuan and Sandakan for timber. |
| The Australian-China Line | —calling at Labuan and Sandakan for timber. |
| The Koninklijke Paketvaart Maatschappij Line | —calling at Labuan and Sandakan for timber. |
| The Royal Inter-ocean Line | —calling at Sandakan and loading timber for South Africa. |

| | |
|-----------------------------|--|
| The Bank Line | —calling at Sandakan and loading timber for South Africa. |
| Butterfield and Swire Line | —calling at Sandakan and loading timber for Australia. |
| The Eastern Australian Line | —calling at Sandakan and loading timber for Australia. |
| The Straits Steamship Co. | —giving a regular weekly service between Singapore and North Borneo ports. |
| Hua Siang Steamship Co. | —providing an occasional service between Singapore and North Borneo ports. |

CIVIL AVIATION

The year under review has seen rapid progress in air communications in the Colony. Early in the year the Colony was faced with the imminent withdrawal of the R.A.F. Sunderland service, which had rendered sterling service in the period since the end of the war. However, the new aerodrome at Jesselton was completed by the end of May and Malayan Airways immediately commenced to operate a weekly service between Singapore, Sarawak and North Borneo. The volume of traffic in two months' time soon justified the institution of a twice-weekly service. The completion in October of the aerodrome at Sandakan, main port and town on the east coast, resulted in the extension of the service. A further development occurred in the middle of the year, when Qantas Empire Airways was granted permission to direct their service between Hong Kong and Australia via Labuan. In January, 1950, Cathay Pacific Airways commenced operations with a weekly service between Hong Kong, Manila, Sandakan, Jesselton and Labuan. This makes a total of three aviation companies operating within the Colony within 12 months, which is an interesting indication of how quickly air traffic increases when the facilities required are available.

TELECOMMUNICATIONS

Telegraphs

External radio circuits were maintained with Singapore, Kuching, Brunei and with aircraft and shipping in Borneo waters, throughout the year. Varying ionospheric conditions caused frequent but not serious interruption by fade-outs.

Internal radio communications were maintained from Jesselton with stations at Labuan, Ranau, Kudat, Beluran, Sandakan, Lamag, Lahad Datu, Semporna and Tawau. New equipment installed at Labuan, Jesselton and Sandakan was brought into operation during the year.

A limited radio-telephone service between Jesselton and Sandakan was opened to the public during May and has been operating successfully.

Land-line offices were maintained at Jesselton, Sembulan, Kepyayan, Papar, Beaufort, Tenom and Keningau.

Aeradio stations were set up on the new aerodromes at Jesselton and Sandakan and have been maintaining communications with civil air services. Navigational aids to aircraft in the way of medium frequency beacons were made available at Labuan, Jesselton and Sandakan.

The volume of traffic over the telegraph system continued at a high level, the stations at Jesselton and Sandakan handling more than two million words during the year.

Telephones

The telephone system of the Colony, so completely damaged during the war, has not yet been satisfactorily re-established. Equipment ordered in 1945 was only beginning to arrive at the close of 1949, and temporary materials left behind by the military forces were still being used to effect improvisation and repairs. Nevertheless much of the external wiring throughout the Colony has been or is being renewed and upon the arrival and installation of exchange equipment now on order progress should be rapid.

Manual exchanges were still in use throughout the Colony, and in Jesselton there was, in addition, a 100 line automatic exchange. This exchange was originally used in Sandakan in 1922, when it was the first automatic exchange in the Far East. About 10 years later it was transferred to Jesselton, and it was in use there until shortly before the liberation when it suffered severely from Allied bombing and Japanese denial measures. Salvaged and repaired with military equipment it still continues in use although near the end of its useful life. It was insufficient to supply Jesselton's needs and as a temporary measure a 200-line manual exchange has been installed pending the arrival of new automatic equipment.

The total number of telephones in use in the Colony was 481. In the principal towns the numbers were as follows:

| | | | | | | |
|-----------|---|---|---|---|---|-----|
| Jesselton | . | . | . | . | . | 229 |
| Sandakan | . | . | . | . | . | 84 |
| Labuan | . | . | . | . | . | 51 |
| Beaufort | . | . | . | . | . | 32 |
| Tawau | . | . | . | . | . | 18 |
| Tenom | . | . | . | . | . | 16 |

Meteorology

Meteorological stations at Labuan, Jesselton and Sandakan maintained six standard observations daily, the results being coded and transmitted to Singapore for broadcast and use in weather forecasting for aviation requirements.

A general broadcast for all stations of early morning and late evening weather reports from the three stations was commenced from Sandakan and is working satisfactorily.

During the latter half of the year this service began to keep pace with aviation in the Colony and, under the guidance of two meteorological assistants loaned from the Malayan Meteorological Service, local staff has been trained to supply accurate weather forecasts for aircraft.

Agreement with Cable & Wireless, Ltd.

In 1948 Government entered into an agreement with Cable & Wireless, Ltd., under which the company will handle all the Colony's external telegraphic services. Owing to difficulties which have been encountered over building plans, the company has not yet been able to take over these

services, as was foreshadowed in last year's report. These difficulties are now resolved and it is expected that the company will begin operating before the end of 1950.

POSTS

On 31st December, 1949, there were eight post offices in the Colony. These included new buildings at Tawau, Kudat, Beaufort and Papar, while extensive alterations were carried out to the General Post Office, Jesselton.

The Royal Silver Wedding commemorative issue of stamps in the denominations of \$10 and 8 cents was withdrawn from sale on 1st February, 1949. On 10th October the Universal Postal Union 75th Anniversary issue of 8, 10, 30 and 55-cent stamps was placed on sale at all post offices in the Colony for a period of three months. The current issue in the Colony is still the old Chartered Company stamps overprinted with the Royal Cypher. A new definitive issue, which is in photogravure, is expected to be on sale by the middle of 1950.

Surface mail schedules between North Borneo and Singapore improved considerably with the introduction of a weekly steamship service.

The weekly air service maintained by the R.A.F. from Singapore to Sandakan via Labuan and Jesselton ceased at the end of May, and Malayan Airways began a weekly service, Singapore to Jesselton, in June, increased to a twice-weekly service in July. This was extended to Sandakan in October. Other airmail facilities were provided by a fortnightly service Australia-Labuan-Hong Kong, introduced by Qantas Empire Airways in June, and a weekly service between Hong Kong, Manila and North Borneo, introduced by Cathay Pacific Airways in January, 1950.

On 1st January, 1950, increased postage rates were introduced, including an increase from 8 cents to 10 cents for the first ounce for letters despatched within North Borneo. This change included the use of airmail facilities, wherever they existed in the Colony.

Business throughout the year maintained a steady upward trend. The most marked increase was shown in the figures for the C.O.D. parcel service which rose by 300 per cent over 1948 figures. Inward airmail traffic increased by approximately 75 per cent, while the value of money orders issued rose by 50 per cent. The number of outward parcels handled showed an increase of 33 per cent.

Chapter 12: Research

FISHERIES

The Fisheries Department which was established in April, 1948, has continued the survey of the industry which was begun in 1947, but the results obtained so far have been disappointing. The complete breakdown of the engine of the two-masted auxiliary ketch, *Myrtle Burgess*, seriously impeded the primary survey and restricted the activities of the technical staff. Pending replacement of the engine, a 52-foot locally-built vessel

was fitted with a 30-h.p. Ailsa Craig diesel engine and sails, and undertook two cruises, designed primarily to familiarise the crew with the operation of heavy fishing gear from a powered craft.

Following the appointment of a locally recruited Fisheries Officer (Chinese), some advance has been made in the identification of the important commercial fishes of the Colony, and a preliminary survey of a collection of fresh water species, mainly from the Kinabatangan River, has been completed.

Further progress has been made in overcoming local problems of fish culture in ponds, one of the greatest difficulties encountered being that of the destruction of mud-boring crustaceans, which cause a considerable amount of leakage from the ponds. Fair growth rates were recorded for *sepat siam* (*T. pectoralis*) and *ikan bulan-bulan* (*M. cyprinoides*).

An experiment to test the effectiveness of lights on an estuarine fish trap (*kelong*) was begun in July, and will be carried on into the early part of 1950. The data in hand to date is insufficient to permit any conclusions being drawn.

Permission has been granted for the importation of skilled labour to experiment with a new type of fish-trap known as the *seloh*. It is expected that work on this enterprise will begin shortly.

GEOLOGY

During 1949 a Geological Survey Department was established for the British territories in Borneo under a Colonial Development and Welfare Scheme. The Director has been appointed and has made his headquarters at Kuching, while two geologists have been appointed to North Borneo and arrived during the last quarter of the year. Up to the present their duties have been confined to the collection and co-ordination of geological data. Field work will begin during the early part of 1950.

MALARIA

Malaria research in North Borneo, Sarawak and Brunei continued during the year in Labuan and at Tambunan in the interior, under the Director of Malaria Research. This work began in North Borneo before the Japanese war, and is carried on with the aid of funds made available under the Colonial Development and Welfare Act.

In Labuan, studies have been carried out on *A. leucosphyrus* and *A. sundaicus*, and the former has been shown to be the chief carrier there, as it is said to be over the greater part of Borneo. The position regarding *A. sundaicus*, however, remains uncertain. In 1949 sporozoites were at last demonstrated in this species in Borneo—firstly, by the medical staff in the oilfields of Sarawak and Brunei, and then by the Malaria Research Department in Labuan. There is proof, therefore, that it is a carrier, but to what extent still remains to be defined.

Work in the interior, interrupted by the war, was resumed with the establishment of the Tambunan experiment. This is directed to prove whether very limited jungle clearance around *A. leucosphyrus* breeding-places leads not only to control of the mosquito, but to control of malaria generally. The experiment started with the selection of a highly malarious

valley in which *A. leucosphyrus* was the only carrier, and where the degree of malaria, in some villages 100 per cent, had been observed for a number of years. A thorough survey of *A. leucosphyrus* larvae was made and jungle cleared to admit sunlight to breeding-places. The clearing necessary was relatively little, for virtually no change was noticeable in the landscape. Nevertheless, an area of nearly 10 square miles has been influenced, and some 32 miles of stream, and as a result of the clearing a control of about 95 per cent of *A. leucosphyrus* appears to have been effected.

It will be necessary to re-examine the area every six months or so for possible recurrence of shade, and it is proposed to make six-monthly spleen and parasite examinations in the controlled area, as well as in a neighbouring valley for comparative purposes. It is hoped that some effect on the parasite rates may be observable within 12 months, and on the spleen rates within about 18 months.

As a result of the work which has been undertaken, the conclusions previously reached have been adequately confirmed. It is clear that Borneo is a vast reservoir of hyperendemic malaria with a few healthy areas, but 42 species of anopheles appear to have been recorded with some degree of probability, 29 of which can be accepted with fair confidence; that infection is maintained chiefly by the shade-loving *A. leucosphyrus*, and to a lesser extent by the *A. umbrosus* group, and should therefore be controlled by judicious clearing; that certain coastal areas may be threatened periodically by epidemics due to *A. sundaicus*; that *A. baezai* may have some place in transmission; that a number of other species are under suspicion; and that *A. maculatus*, previously often claimed to be the chief carrier in Borneo, appears to have little or no relation to malaria here.

PART III

Chapter I: Geography and Climate

NORTH BORNEO includes the whole of the northern portion of the island of Borneo. It is roughly the size of Ireland. The China Sea washes its western and the Sulu and Celebes Seas its eastern coasts. The heavily-indented coastline measures some 800 to 900 miles.

The distances from Sandakan to towns in adjacent territories are as follows: Manila, 600 miles; Singapore, 1,000 miles; Hong Kong, 1,200 miles; and Port Darwin, 1,500 miles.

The country contains central mountain ranges, from 4 to 10 thousand feet in height, rising somewhat sharply from ranges of low hills nearer the coast. These hills are traversed by valleys and occasional plains. The coastline is formed mainly of alluvial flats, with many creeks and swamps. Hills and valleys in most cases are covered with dense forest, and there is an extensive system of rivers.

The main harbour on the west coast is at Victoria on the island of Labuan, which lies to the north of Brunei Bay. Further north Jesselton, the new capital of the Colony, has a good, well-sheltered harbour for vessels of moderate size which take away the bulk of the rubber produced on the west coast. At the most northerly point of the Colony is Marudu Bay, a former stronghold of Illanun pirates. On its western shore, 11 miles from the entrance, is Kudat Harbour, where there is a wharf capable of taking vessels up to 2,000 tons. About midway down the east coast of North Borneo is the magnificent harbour of Sandakan, the approach to which is unfortunately marred to some extent by a bar. The entrance is a mile and a quarter wide, and the bay, which is 15 miles in length, gradually increases to a width of five miles. Sandakan, the former capital of the old State of North Borneo and the largest town in the Colony, is built on its northern shore about a mile from the entrance. Other good harbours are Lahad Datu, further down the east coast, and Cowie Harbour with its port of Tawau.

The main mountain feature of the country is the Crocker Range, commencing at the south end of Marudu Bay and following the west coast at a distance of some 30 miles. This range, 4,000–6,000 feet in height, sends short spurs to the west coast, which are dominated by Mount Kinabalu, 13,455 feet high. This is one of the finest mountains in the Far East and is venerated by the natives as the resting-place of the souls of the dead. Trusmadi, on the borders of the Keningau and Tambunan districts in the interior, reaches a height of 8,000 feet, while ranges of 4,000–6,000 feet are not uncommon near the Dutch border.

The most extensive plain is that on the east coast irrigated by the river Kinabatangan and its tributaries, believed to contain some 4,000

square miles of rich and fertile soil. In the interior are found the Keningau and Tambunan plains which are traversed by the Pegalan River. The Keningau plain consists of wide stretches of grassland, while Tambunan maintains a large padi-planting population.

The rivers are numerous and of considerable importance, constituting as they do the only highways in some parts of the country. The longest, the Kinabatangan, follows a course of some 350 miles, and is navigable by shallow-draught launches for considerable distances. The Segama River, in the south-east, is navigable for about 60 miles and the rich soil of its valley is suitable for the cultivation of wrapper-leaf tobacco. The other main rivers in the east are the Labuk and the Sugut.

The west coast rivers are by contrast short and swift-flowing, and consequently of little use for navigation, but the long, narrow coastal plain which they water, contains the main rice and rubber-producing areas of the Colony. The longest of these rivers is the Padas, which is navigable for small launches as far as Beaufort, 60 miles from the sea. The Padas has cut a deep and narrow gorge through the west coast range, and it is through this lovely, scenic gorge that the railway into the interior runs for much of its course.

The climate of North Borneo is tropical, but on the whole equable. On the coast day temperatures vary from 70° F. in the early morning to 88° at midday, and only on exceptionally hot days to 93° or 94°. Night temperatures are in the region of 70° and in most places comparatively cool nights are a relief after the day temperatures. Annual rainfall varies from 60 inches to 180 inches in different localities. In most parts of the country the wetter season occurs during the north-east monsoon from October to March, and the drier season during the south-west monsoon, from April to September, but there is no sharp division between the two seasons. The typhoon belt passes just north of the Colony so typhoons are unknown, although severe rain-storms accompanied by high winds sometimes occur and local thunder-storms are frequent.

Chapter 2: History

To a very great extent the history of Borneo is veiled in obscurity. It was known to the Arabs many years ago as a land rich in precious stones, gold and spices, and it is said that somewhere about A.D. 1300 the island was invaded by Kublai Khan. The traditions of Brunei and Sulu indicate that about this period there was established a Chinese settlement somewhere in the northern part of the island, and signs of early contact with Chinese civilisation still exist.

The first visits to the island of Borneo by Europeans were probably made by Spaniards and Portuguese. The companions of Magellan, after the death of their chief in the Philippines, called at Brunei in 1521; their historian, Pigafetta, left it on record that this city was then of considerable importance and contained no less than 25,000 families. A Dutchman visited Brunei in 1600, and the Dutch founded establishments in Borneo about that time. The first visit of an Englishman to the island seems to

have been in 1665, when a certain Captain Cowley "visited a small island which lay near the north end of Borneo".

In 1773 the East India Company founded a station at Balambangan, an island to the north of Marudu Bay. This island and all the north-east promontory of Borneo had been granted by the Sultan of Sulu to Alexander Dalrymple in 1756, as a reward for procuring his release from Spanish captivity in Manila. The settlement at Balambangan was attacked by Sulus and Manuns in 1775, and the garrison was forced to flee to Brunei, where the East India Company had another station. In 1803 the Company again formed an establishment in Balambangan, but shortly afterwards abandoned it, as well as the settlement in Brunei.

Meanwhile the Dutch had extended their influence and had acquired control of all but the northern and western portions of the island. By the beginning of the nineteenth century the north and west had relapsed into a condition of lawlessness and decay. Here the Sultans of Brunei and Sulu exercised nominal control and farmed out the rights of collecting revenue to natives of rank. These "farmers" settled at the mouths of the rivers, levied taxes on passing traders and plundered the inhabitants. On the coast there was a loose system of Mohammedan law and in the interior natives settled their own disputes according to tribal custom. Head-hunting was rife, disease ravaged the country, and pirates ranged the seas.

These, in brief, were the conditions in the north and west when James Brooke visited the island in 1840 and was installed as Rajah and Governor of Sarawak in 1841. Foremost among the new Rajah's ambitions was the suppression of piracy. The principal piratical races at the time were the Illanuns, the Balanini, the Bajaus and the Sulus, all living near the north of the island. Their vessels were of large size, sometimes reaching a burden of 60 tons and a length of 90 feet, and they were heavily armed. Their cruising grounds were extensive, covering the coasts of the Philippine Islands, Borneo, the Celebes, Sumatra, Java, the Malay Peninsula, and even the Bay of Bengal. They had settlements of considerable size in Marudu Bay and along the west and east coasts of North Borneo.

After several efforts, Rajah Brooke persuaded the British Government to take an interest in the suppression of this piracy, which was doing considerable damage to European shipping as well as to native craft. Several expeditions were sent against the pirate strongholds on the north coast during the years which followed, culminating in the destruction of Tunku on the east coast by H.M.S. *Kestrel* in 1879.

The modern history of North Borneo may be said to have begun in 1847, when the British Government concluded a Treaty of Friendship and Commerce with the Sultan of Brunei and acquired at the same time the island of Labuan, which became a Crown Colony with a Governor and other officers. A similar treaty was entered into in 1849 between Great Britain and the Sultan of Sulu, but was not ratified owing to the difficulties raised by Spain.

British and American traders now attempted to obtain a firmer footing in North Borneo, and in 1872 protracted negotiations with the Sultans of Brunei and Sulu led to the cession in perpetuity of a large area of the country to a private syndicate controlled by Mr. Alfred Dent and his

brother. The cession was subject to certain annual payments to the Sultans. In 1881 a Liberal Government under Gladstone granted a Charter to the "British North Borneo Provisional Association Limited". The Charter provided, *inter alia*, that the new company should always be British in character. It prohibited the transfer of the benefits of the grants and commissions without the consent of the Secretary of State, forbade the grant of any general monopoly of trade and invested the Secretary of State with certain powers of supervision over the company's proceedings, including the appointment of its principal representative in Borneo. The company undertook to abolish slavery, to administer justice with due regard to native customs and laws, and not to interfere with the religion of the inhabitants.

Following the grant of the Charter, the British North Borneo Company was formed in May, 1882, to finance the administration of the new state. A long diplomatic correspondence was necessary before the misgivings of the other European powers, in particular Spain and Holland, were finally allayed. In 1888 the state was created a British Protectorate, and from 1890 Labuan was, by request of the British Government, administered by the Government of North Borneo. This agreement ceased as from 1st January, 1906, the British Government having decided that it was necessary on grounds of imperial policy that Great Britain should resume direct responsibility for the administration of the Colony of Labuan.

Considering the lawlessness which prevailed before the British occupation, North Borneo has been remarkably free from unrest, though some trouble was encountered by the company in the early years of its administration. Exploration of the newly acquired territories continued steadily and the little-known regions of the interior were gradually penetrated and brought under control. Various enclaves of territory not included in that acquired from the Sultans were absorbed from time to time to knit the state into a compact whole of about 29,500 square miles. Economically, the country went slowly ahead. Capital started to flow in, though not as freely as had been hoped, and labourers were encouraged to immigrate from China. The west coast railway was begun in 1896 and completed nine years later to link Jesselton with Weston in the south and Melalap in the interior. A serious economic crisis was averted by the rubber boom in the early nineteen-hundreds, the land which the railway had opened up proving eminently suitable for the growing of rubber which became within a few years the mainstay of the country's economy.

In January, 1942, North Borneo was invaded by the Japanese naval and military forces. For over three and a half years the country remained under enemy occupation until final liberation by units of the Ninth Australian Division, who landed in Labuan on 10th June, 1945. The behaviour of the population during this period was, with very few exceptions, exemplary, and many paid for their loyalty with their lives. The British Military Administration, which contained a few former Chartered Company senior officers, found the Colony in a state of appalling devastation. Many towns had been completely destroyed or badly damaged by fire or bombing, and many of the inhabitants murdered, among them a

large number of Government servants. The Military Administration continued until 15th July, 1946, when North Borneo became a Crown Colony and civil Government was resumed. On the same date Labuan was incorporated into the new Colony.

Chapter 3: Administration

The Constitution of the Government of North Borneo is established and regulated by Letters Patent, dated 10th July, 1946, under which a Governor and Commander-in-Chief of the Colony was appointed. By this instrument, full sovereign rights were assumed over North Borneo, following the North Borneo Cession Order in Council dated 10th July, 1946, and the Labuan Order in Council of the same date, by which the former State of British North Borneo and the Settlement of Labuan became the new Colony of North Borneo.

Under these Letters Patent and the Royal Instructions dated 10th July, 1946, the Colony is administered by a Governor with the assistance of an Advisory Council. The Advisory Council must be consulted by the Governor on all important matters, especially the enactment of legislation, and consists of three ex-officio members, the Chief Secretary, the Attorney-General and the Financial Secretary, together with such other members, both official and unofficial, as the Governor may appoint. At the end of 1949 there were 23 appointed members, including, on the official side, the 3 Residents, the Commissioner of Immigration and Labour, the Conservator of Forests, the Director of Agriculture, the Director of Public Works, and the Director of Medical Services and, on the unofficial side, 7 natives of the country, 4 Europeans, and 4 Chinese. In addition, to advise him on important questions of principle and policy, the Governor has appointed an Executive Committee consisting of the Chief Secretary, the Attorney-General, the Financial Secretary, the Resident, West Coast, Mr. G. L. Gray (Commissioner of Immigration and Labour), and three representative unofficial members of the Advisory Council.

The laws of the Colony are somewhat complicated, being in part those applicable to the old State of British North Borneo and in part those of the Straits Settlements previously applicable to Labuan, together with proclamations issued after the liberation by the British Military Administration, many of which are still in force, and new ordinances and rules and regulations which have been enacted and brought into force since civil Government was resumed in 1946. The English common law also applies.

The day-to-day administration of the Colony is carried out by 31 departments under the general direction of the Chief Secretary, the principal executive officer of Government, who controls the Secretariat. The Attorney-General is head of the legal branch; financial administration is in the hands of the Financial Secretary; and the Accountant-General, as Chief Treasury Officer, is responsible for the public accounts. The Commissioner of Customs and Excise is charged with the collection of import and export duties, with the direction of preventive work, and with the compilation of trade statistics.

Labour and immigration problems are dealt with in a single department under the Commissioner of Immigration and Labour, who is also the Chief Passport Officer. In addition there is at present, as a temporary measure, a Labour Adviser for North Borneo, Brunei and Sarawak, who advises the three British Borneo Governments on labour conditions generally, studies the laws of the three territories with a view to their recodification and standardisation, assists in the development of trade unions along the right lines, and arbitrates where necessary in cases of industrial or labour unrest.

Other permanent departments are the Agricultural, Audit, Constabulary, Drainage and Irrigation, Education, Fisheries, Forests, Geological, Inland Revenue, Judicial, Lands, Marine, Medical, Posts, Printing, Prisons, Public Works, Railways, Surveys, and Telecommunications. Temporary departments include those of the Controller of Supplies, the Custodian of Enemy Property, the Food Controller and the Price Controller.

For local administration the Colony is divided into three Residencies, the West Coast, the East Coast, and the Labuan and Interior, with their headquarters at Jesselton, Sandakan and Beaufort, respectively. There are four District Officers in the West Coast Residency, at Jesselton, Kota Belud, Kudat and Papar; three in the East Coast Residency, at Sandakan, Lahad Datu and Tawau; and four in the Labuan and Interior Residency, at Beaufort, Keningau, Labuan and Tenom. In addition there are sub-districts in each Residency under the control of an Assistant District Officer or a Deputy Assistant District Officer (native officer).

Within each district and sub-district, village headmen carry on minor administration under native chiefs, who in turn are responsible to the District Officer. These chiefs preside over Native Courts which deal with offences against native customs and breaches of Mohammedan law. The courts held by District Officers in their magisterial capacity are concerned with normal civil actions, breaches of the laws of the Colony and offences against the Penal Code. In addition to their other duties, District Officers and their assistants are Assistant Collectors of Land Revenue and Assistant Protectors of Labour.

In the majority of townships there are sanitary or rural boards under the chairmanship of the Resident or District Officer. Each section of the community is represented on these boards.

Chapter 4: Weights and Measures

Imperial weights and measures and the following local weights and measures are in general use:

Avoirdupois Weight

| | | | |
|-----------|---|-----------------------|-----------------------------|
| 1 tahl | = | $1\frac{1}{3}$ ounces | |
| 16 tahils | = | 1 kati | = $1\frac{1}{3}$ pounds |
| 100 katis | = | 1 pikul | = $133\frac{1}{3}$ pounds |
| 40 pikuls | = | 1 koyan | = $5,333\frac{1}{3}$ pounds |

Measures of Capacity

| | |
|--------------|-----------------------|
| 2 gills | = 1 pau |
| 2 paus | = 1 pint |
| 2 pints | = 1 quart or chupak |
| 4 quarts | = 1 gallon or gantang |
| 10 gantangs | = 1 para |
| 800 gantangs | = 1 koyan |

Chapter 5: Newspapers

One English language newspaper, the *North Borneo News*, commenced publication in 1948. It appears fortnightly and contains reports of such matters as Advisory Council Meetings, excerpts from other newspapers, and a few articles of local interest.

There is one Chinese language publication, *Api Wah Chiau Nit Pau* (Jesselton Overseas Daily Newspaper). It has a small local circulation. The news it presents is factual and is obtained mainly from Chinese wireless broadcasts. It caters solely for the Chinese community and is Chinese Nationalist in outlook.

No Malay newspaper is produced in the Colony.

Chapter 6: Reading List

IMPERIAL GOVERNMENT PUBLICATIONS

(obtainable from H.M. Stationery Office)

- Convention between the Governments of the United Kingdom and the United States of America regarding the boundary between the Philippine Archipelago and the State of North Borneo.* Cmd. 3622, 1930; T.S. No. 2, 1933. H.M.S.O. 6d. (By post 7d.)
- Convention . . . respecting the Delimitation of the Frontier between the States in Borneo under British Protection and Netherlands Territory in that Island.* T.S. No. 32, 1930. (Cmd. 7671.) H.M.S.O. 9d. (By post 10d.)
- North Borneo. Agreement for the transfer of the Borneo Sovereign Rights and Assets from the British North Borneo Company to the Crown,* 26th June, 1946. Colonial No. 202, 1946. H.M.S.O. 3d. (By post 4d.)
- Report of Potentialities for the Cultivation of Cocoa in Malaya, Sarawak and North Borneo.* Colonial No. 230, 1948. H.M.S.O. 9d. (By post 10d.)

NORTH BORNEO GOVERNMENT PUBLICATIONS

(obtainable from the Secretariat, Jesselton, North Borneo, or through Crown Agents for the Colonies, 4 Millbank, London, S.W.1)

- Annual Report.*
- The Laws of North Borneo, 1884-1946.* 3 volumes. Reprinted 1948. Price \$60 per set.
- North Borneo Reconstruction and Development Plan 1948-1955.* Price \$6.00.
- Estimates of Revenue and Expenditure.* (Annual.)

Government Gazette. (Monthly.) Subscription, \$10 per annum (Inland), \$12.50 per annum (Overseas).

North Borneo Forest Records :

No. 1. *North Borneo Standard Grading Rules*, 1949.

No. 2. *A Preliminary List of North Borneo Plant Names*, 1938. Price \$5.00.

No. 3. *The Timbers of North Borneo*, 1947. Price \$7.00.

North Borneo Rubber Commission Report, 1949. Price \$5.00.

Native Affairs Bulletins, by G. C. Woolley :

1. *The Timoguns; a Murut tribe of the Interior, North Borneo*. 1937.

2. *A Dunsun Vocabulary in the dialect of the district of Tambunan, North Borneo*. 1938.

3. *Murat Adat; customs regulating inheritance amongst the Nabai Tribe of Keningau and the Timogun Tribe of Tenom*. 1939.

4. *Dunsun Adat; customs regulating inheritance amongst the Dunsun Tribes in the coastal plains of Putatan and Papar*. 1939.

5. *Dunsun Adat; some customs of the Dunsuns of Tambunan and Ranau, West Coast Residency*. 1940.

Note: Owing to the destruction of the Colony's printing press during hostilities, no official publications can yet be printed in the Colony. In consequence there is frequently some delay before printed copies become available. In such cases typescript duplicated copies are provided wherever possible.

OTHER PUBLICATIONS OF GENERAL INTEREST

BRUCE, CHARLES (A. B. C. Francis). *Twenty Years in Borneo*. Cassell, 1924.

BURBRIDGE, F. W. *The Gardens of the Sun*. Murray, 1880.

COOK, OSCAR (R. M. O.). *Borneo, Stealer of Hearts*. Hurst and Blackett, 1924.

ENRIQUEZ, Major C. M. *Kina Balu: The Haunted Mountain of Borneo*. Witherby, 1927.

EVANS, I. H. N. *Among Primitive People in Borneo*. Service, 1922.

EVANS, I. H. N. *Studies in Religion, Folk-lore and Custom in British North Borneo and the Malay Peninsula*. Cambridge University Press, 1923.

GARRY, A. N. M. *Census Report*. B.N.B. (Chartered) Co., 1931.

KEITH, AGNES. *Land Below the Wind*. Michael Joseph, 1939.

KEITH, AGNES. *Three Came Home*. Michael Joseph, 1948.

KEPPEL, Capt. the Hon. H., R.N. *The Expedition to Borneo of H.M.S. Dido*. 2 volumes. Chapman & Hall, 1847.

PRYER, ADA. *A Decade in Borneo*. Hutchinson, 1894.

ROBSON, J. H. M. *A Bibliography of Malaya; also a short list of books relating to North Borneo and Sarawak*. Kuala Lumpur, 1939.

ROTH, H. LING. *The Natives of Sarawak and British North Borneo*. 2 volumes. Truslove & Hanson, 1896.

RUTTER, OWEN. *British North Borneo*. Constable, 1922.

RUTTER, OWEN. *The Pagans of North Borneo*. Hutchinson, 1929.

RUTTER, OWEN. *The Pirate Wind*. Hutchinson, 1930.

ST. JOHN, S. *Life in the Forests of the Far East*. 2 volumes. Smith Elder, 1862.

WHITEHEAD, J. *The Exploration of Kina Balu*. Gurney & Jackson, 1893.

APPENDIX I

COLONIAL DEVELOPMENT AND WELFARE SCHEMES

| <i>Items</i> | | | | | | <i>Amount expended up to end of 1949</i> |
|--|--|---|---|---|---|--|
| | | | | | | \$ |
| <i>Research Schemes</i> | | | | | | |
| R.158 | Malaria Research | . | . | . | . | 123,188 |
| R.321 | Sociological Research | . | . | . | . | 2,826 |
| <i>Joint Borneo Territories Allocation</i> | | | | | | |
| D.915 | Labuan Airfield | . | . | . | . | 108,042 |
| <i>North Borneo Allocation</i> | | | | | | |
| D.721 | Town Planner | . | . | . | . | 32,379 |
| D.797 | Irrigation Department | . | . | . | . | 147,091 |
| D.798 | Veterinary Department | . | . | . | . | 23,093 |
| D.857 | Trade School | . | . | . | . | 36,727 |
| D.906 | Fisheries Department | . | . | . | . | 111,083 |
| D.914 | Jesselton and Sandakan Airfields | . | . | . | . | 444,630 |
| D.955 | Clonal Seed | . | . | . | . | 5,442 |
| D.1043 | Malaria Research (Tambunan Experiment) | . | . | . | . | 10,498 |
| D.1077 | Hemp Disease Control | . | . | . | . | 36,816 |
| D.979 | Forest Surveys and Silviculture | . | . | . | . | 58,156 |
| D.1068 | Rubber Commission | . | . | . | . | 18,942 |
| D.1158 | Road Development | . | . | . | . | 269,469 |
| D.1195 | Forestry Training | . | . | . | . | 6,131 |
| TOTAL | | | | | | <u>1,434,513</u> |

APPENDIX II

A. COMPARATIVE STATEMENT OF CASES DEALT WITH DURING 1948 AND 1949 BY THE HIGH COURT

| <i>High Court</i> | <i>Criminal</i> | | <i>Civil</i> | |
|---|-----------------|------|--------------|------|
| | 1948 | 1949 | 1948 | 1949 |
| Original Jurisdiction | — | 1 | 3 | 2 |
| Revisional Jurisdiction | 24 | 29 | 5 | 7 |
| Appeals from Magistrates' Courts | 39 | 56 | — | 2 |
| Appeals from Sessions Courts. | 11 | 11 | 5 | 5 |
| Appeals to full Bench | 1 | — | 1 | 2 |
| Appeals from Commissioner of Lands and Assistant Collector of Land Revenue . | — | — | 4 | 8 |
| TOTAL | 75 | 97 | 18 | 26 |

B. COMPARATIVE STATEMENT OF CRIMINAL CASES DEALT WITH DURING 1948 AND 1949

BY SESSIONS COURTS

| Sessions Court | No. of cases tried | | No. of persons | | | No. of cases in which sentences were passed | | | Most prevalent crimes of the serious cases |
|---------------------|--------------------|------|----------------|-------------------------|----|---|---------------|---|--|
| | | | | | | | | | |
| | 1948 | 1949 | Convicted | Acquitted or discharged | | Over 12 months | Over 6 months | | |
| | | | 1948 | 1949 | | 1948 | 1949 | | |
| West Coast . . | 10* | 7 | 11* | 4 | 1* | 3 | 2* | 1 | Murder, culpable homicide not amounting to murder and voluntarily causing hurt. Murder and dacoity Murder and attempt to murder. |
| East Coast . . | 15* | 7 | 22* | 43 | 1* | 8* | 1 | — | |
| Labuan and Interior | 2 | 2 | 1 | — | 2 | — | — | — | |
| TOTAL | 27 | 16 | 34 | 47 | 4 | 13 | 43 | 3 | 1 |

* Amended figures.

C. COMPARATIVE STATEMENT OF CIVIL SUITS
DEALT WITH DURING 1948 AND 1949
BY SESSIONS COURTS

General

| <i>Sessions Courts</i> | <i>No. of Suits dealt with</i> | | <i>Value of Suits</i> | | <i>Fees collected</i> | |
|------------------------|--------------------------------|------|-----------------------|-----------|-----------------------|----------|
| | 1948 | 1949 | 1948 | 1949 | 1948 | 1949 |
| West Coast . . . | 33 | 33 | \$ 41,289 | \$ 20,573 | \$ 632 | \$ 1,146 |
| East Coast. . . | 11* | 27 | 30,060* | 19,909 | 331 | 409 |
| Labuan and Interior . | 12 | 10 | 8,142 | 13,810 | 131 | 237 |
| TOTAL | 56 | 70 | 79,491 | 54,292 | 1,094 | 1,792 |

D. PROBATE AND ADMINISTRATION

| | <i>No. of Suits dealt with</i> | | <i>Value of Suits</i> | | <i>Estate duty collected</i> | | <i>Fees collected</i> | |
|-----------------------|--------------------------------|------|-----------------------|-----------|------------------------------|----------|-----------------------|------|
| | 1948 | 1949 | 1948 | 1949 | 1948 | 1949 | 1948 | 1949 |
| HIGH COURT . . . | 5 | 5 | \$ 68,220 | \$ 28,627 | \$ 3,411 | \$ 1,131 | \$ 3 | \$ 1 |
| SESSIONS COURTS | | | | | | | | |
| West Coast . . . | 23 | 59 | 214,267 | 100,835 | 8,077 | 22,714 | 116 | 106 |
| East Coast . . . | 26* | 16 | 268,520* | 352,797 | 11,948 | 8,809 | 128 | 66 |
| Labuan and Interior . | 14 | 5 | 93,786 | 46,011 | 1,683 | 901 | 48 | 62 |
| TOTAL . . . | 68 | 85 | 644,793 | 528,270 | 25,119 | 33,555 | 295 | 235 |

* Amended figures.

E. COMPARATIVE STATEMENT OF CIVIL SUITS
DEALT WITH DURING 1948 AND 1949
BY MAGISTRATES' COURTS

| <i>Magistrates' Courts</i> | <i>No. of Suits dealt with</i> | | <i>Value of Suits</i> | | <i>Fees collected</i> | |
|--------------------------------------|--------------------------------|------|-----------------------|--------|-----------------------|-------|
| | 1948 | 1949 | 1948 | 1949 | 1948 | 1949 |
| | | | \$ | \$ | \$ | \$ |
| <i>West Coast Residency</i> | | | | | | |
| Jesselton . . . | 117 | 147 | 11,506 | 15,061 | 955 | 998 |
| Penampang . . . | 7 | 25 | 1,280 | 7,758 | 97 | 408 |
| Papar . . . | 90 | 59 | 3,279 | 2,544 | 291 | 206 |
| Tuaran . . . | 80 | 66 | 3,264 | 3,208 | 258 | 240 |
| Kota Belud . . . | — | — | — | — | — | — |
| Kudat . . . | 22 | 26 | 2,838 | 2,413 | 318 | 288 |
| Total | 316 | 323 | 22,167 | 30,984 | 1,919 | 21,40 |
| <i>East Coast Residency</i> | | | | | | |
| Sandakan . . . | 146 | 190 | 14,230 | 16,616 | 1,054 | 963 |
| Beluran . . . | 5 | 40 | 440 | 3,382 | 36 | 369 |
| Lamag . . . | 11 | 16 | 441 | 522 | 28* | 28 |
| Tawau . . . | 11* | 30 | 3,209* | 3,175 | 64* | 167 |
| Lahad Datu . . . | 85 | 81 | 6,758 | 5,832 | 547 | 501 |
| Semporna . . . | 10 | 9 | 602 | 486 | 39 | 24 |
| Total | 268 | 366 | 25,680 | 30,013 | 1,768 | 2,052 |
| <i>Labuan and Interior Residency</i> | | | | | | |
| Beaufort . . . | 116 | 84 | 7,406 | 5,744 | 652 | 580 |
| Tenom . . . | 40 | 25 | 2,161 | 2,360 | 150 | 153 |
| Keningau . . . | 1 | 12 | 107* | 2,000 | 6* | 206 |
| Tambunan . . . | 1 | 5 | 5 | 236 | 4 | 16 |
| Pensiangan . . . | — | 1 | — | 130 | — | 8 |
| Mempakul. . . | 3 | 10 | 441 | 685 | 43 | 51 |
| Sipitang . . . | 1 | 1 | 41 | 13 | 4 | 3 |
| Labuan . . . | 8 | 8 | 2,346 | 576 | 151 | 43 |
| Total | 170 | 146 | 12,507 | 11,744 | 1,010 | 1,060 |
| GRAND TOTAL | 754 | 835 | 60,354 | 72,741 | 4,697 | 5,252 |

* Amended figures.

F. COMPARATIVE STATEMENT OF CRIMINAL CASES DEALT WITH DURING 1948 AND 1949
BY MAGISTRATES' COURTS

| Magistrates' Courts | No. of cases tried | | No. of persons | | | | No. of cases in which sentences were passed | | | |
|--------------------------------------|--------------------|-------|----------------|--------|-------------------------|------|---|------|---------------|------|
| | | | Convicted | | Acquitted or discharged | | Over 12 months | | Over 6 months | |
| | 1948 | 1949 | 1948 | 1949 | 1948 | 1949 | 1948 | 1949 | 1948 | 1949 |
| <i>West Coast Residency</i> | | | | | | | | | | |
| Jesselton | 492 | 1,191 | 331 | 965 | 124* | 148 | 5 | 5 | 3 | 10 |
| Penampang | 30 | 38 | 26* | 24 | 20* | 36 | 1 | — | — | 1 |
| Papar | 76 | 73 | 108 | 62 | 8 | 11 | 3 | 1 | 5 | 2 |
| Tuaran | 104 | 86 | 52 | 73 | 35 | 13 | — | — | 2 | 4 |
| Kota Belud | 43 | 54 | 48 | 87 | 17 | 22 | 3* | 4 | 2* | — |
| Kudat | 126 | 125 | 146 | 130 | 17 | 47 | —* | — | 12 | 2 |
| Total | 871 | 1,567 | 711 | 1,341 | 221 | 277 | 12 | 10 | 24 | 19 |
| <i>East Coast Residency</i> | | | | | | | | | | |
| Sandakan | 334 | 490 | 370 | 451 | 56 | 134 | 11 | 12 | 13 | 15 |
| Beluran | 37 | 35 | 51 | 56 | 6 | 8 | 3 | — | 2 | — |
| Lamag | 20 | 15 | 22 | 17 | 3 | — | — | — | — | 6 |
| Tawau | 145* | 151 | 199* | 230 | 16* | 15 | — | 40 | — | 2 |
| Lahad Datu | 125 | 104 | 135 | 108 | 29 | 17 | 12 | — | 1 | 1 |
| Semporna | 21 | 12 | 11 | 3 | 15 | 10 | — | — | — | — |
| Total | 682 | 807 | 788 | 865 | 125 | 184 | 26 | 52 | 16 | 24 |
| <i>Labuan and Interior Residency</i> | | | | | | | | | | |
| Beaufort | 82 | 53 | 89 | 43 | 17 | 21 | 3 | — | 1 | — |
| Tenom | 59 | 65 | 59 | 30 | 5 | 17 | 4 | 1 | 1 | — |
| Keningau | 16 | 22 | 20 | 25 | 6 | 5 | 1 | — | 2 | 2 |
| Tambunan | 30 | 30 | 23 | 27 | 12* | 6 | 1 | — | — | 1 |
| Pensiangan | 2 | 11 | 1 | 8 | 1 | 5 | — | — | — | — |
| Mempakul | 4 | 13 | 5 | 13 | — | 3 | — | — | — | — |
| Sipitang | 6 | 2 | 4* | 1 | 2 | 1 | — | — | — | — |
| Labuan | 122 | 160 | 178 | 143 | 9 | 17 | — | 1 | 2 | 1 |
| Total | 321 | 356 | 379 | 290 | 52 | 75 | 9 | 2 | 6 | 4 |
| GRAND TOTAL | 1,874 | 2,730 | 1,878 | 2,496† | 398 | 536 | 47 | 64 | 46 | 47 |

* Amended figures.

† Warrant cases 684. Summons cases 1,812.

G. COMPARATIVE STATEMENT OF COMPANIES
REGISTERED DURING 1948 AND 1949

| | 1948 | 1949 |
|---|------|------|
| Companies Incorporated outside the Colony | 3 | 6 |
| Companies Incorporated in the Colony | 3 | 5 |
| Companies dissolved | — | — |

APPENDIX III

GENERAL RETURN OF REVENUE, EXPENDITURE, TRADE AND POPULATION

| Year | REVENUE | EXPENDITURE | | TRADE* | | Exports of Rubber | Exports of Hemp | Land Revenue and Land Sales | Railway Receipts | Estimated Population |
|-------|--|----------------------|---------------------------|----------------------|---------|-------------------|-----------------|-----------------------------|----------------------|----------------------|
| | | Revenue | Capital | Imports | Exports | | | | | |
| | Thousands of dollars | Thousands of dollars | | Thousands of dollars | | Tons | Tons | Thousands of dollars | Thousands of dollars | |
| 1890 | 380 | 339 | 156 | 2,018 | 901 | — | — | 240 | — | 67,062 |
| 1900 | 587 | 398 | 1,100 | 3,179 | 3,337 | — | — | 26 | — | 104,527 |
| 1910 | 1,753 | 815 | 323 | 3,801 | 4,609 | 24 | — | 205 | 117 | 208,183 |
| 1921 | 3,156 | 2,021 | 1,648 | 7,720 | 7,908 | 3,121 | — | 179 | 276 | 257,804† |
| 1931 | 2,545 | 2,070 | 350 | 3,840 | 7,009 | 6,247 | — | 232 | 189 | 270,223† |
| 1935 | 2,726 | 1,773 | 250 | 4,755 | 7,819 | 8,869 | 237 | 271 | 186 | 284,813 |
| 1940 | 4,232 | 2,137 | 251 | 9,978 | 20,271 | 17,622 | 2,825 | 403 | 334 | 309,776 |
| | Revenue excluding Grants-in-Aid and C.D. and W. Grants | Annually Recurrent | Special and Extraordinary | | | | | | | |
| 1947 | 7,171 | 4,979 | 6,940 | 20,472 | 16,933 | 15,010 | 849 | 630 | 392 | 331,000 |
| 1948 | 8,043 | 6,537 | 4,498 | 25,419 | 29,742 | 20,087 | 584 | 565 | 543 | 336,000 |
| 1949† | 10,896 | 9,619 | 7,245 | 33,971 | 37,717 | 19,528 | 802 | 590 | 710 | 345,000 |

* Excluding transhipment trade.

† Census.

‡ Subject to adjustment.

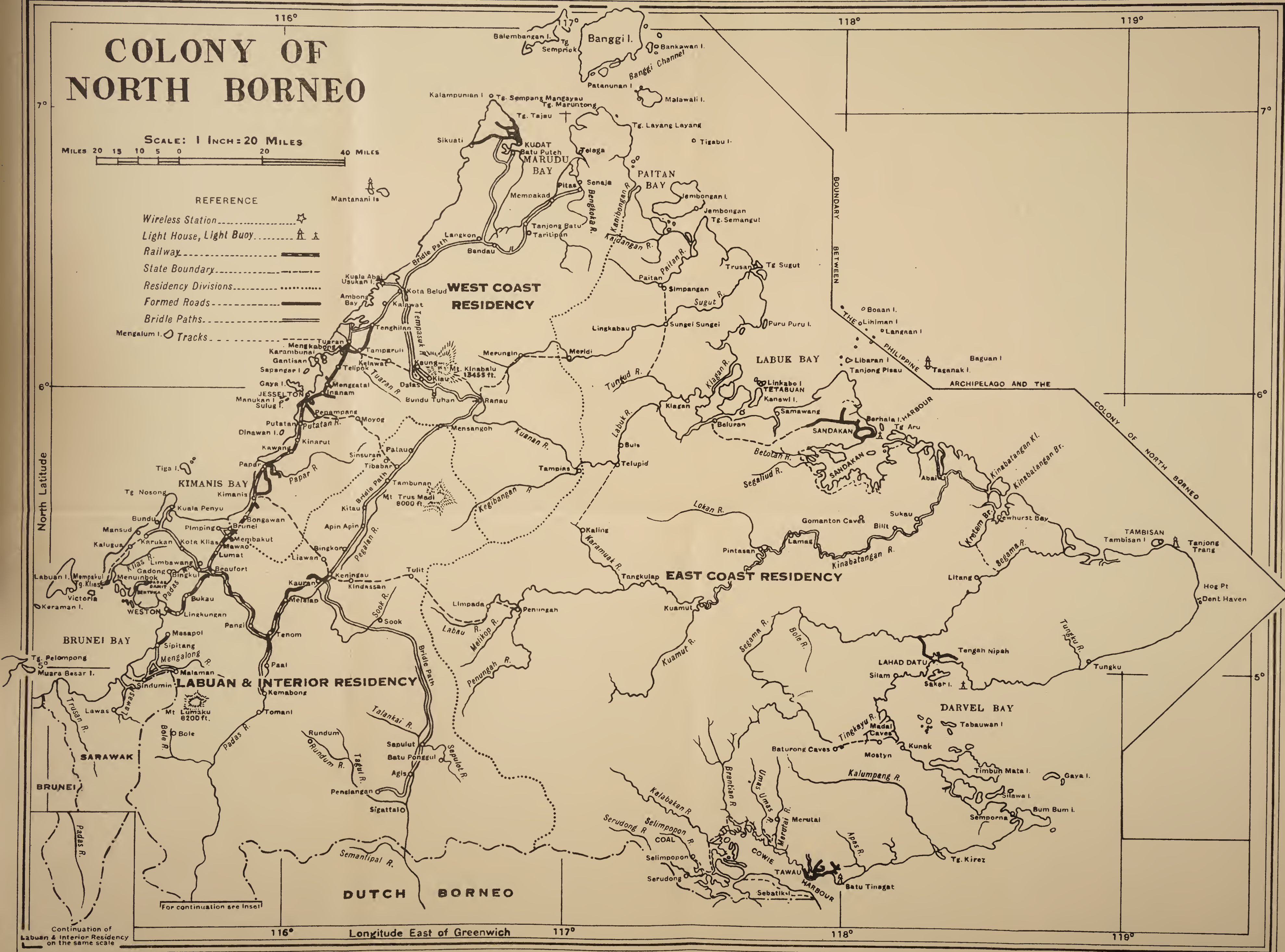
COLONY OF NORTH BORNEO

SCALE: 1 INCH = 20 MILES

MILES 20 15 10 5 0 20 40 MILES

REFERENCE

- Wireless Station
- Light House, Light Buoy
- Railway
- State Boundary
- Residency Divisions
- Formed Roads
- Bridle Paths
- Mengalum I. Tracks



For continuation see inset

Continuation of Labuan & Interior Residency on the same scale

COLONIAL REPORTS

ANNUAL REPORTS

| | | |
|----------------|----------------|----------------|
| BASUTOLAND | GOLD COAST | NTHN. RHODESIA |
| BECHUANALAND | HONG KONG | NYASALAND |
| PROTECTORATE | JAMAICA | SARAWAK |
| BRITISH GUIANA | KENYA | SIERRA LEONE |
| BR. HONDURAS | MAURITIUS | SINGAPORE |
| BRUNEI | FED. OF MALAYA | SWAZILAND |
| CYPRUS | NIGERIA | TRINIDAD |
| FIJI | NORTH BORNEO | UGANDA |

BIENNIAL REPORTS

| | | |
|---------------|--------------|--------------|
| ADEN | *GIBRALTAR | *ST. VINCENT |
| *BAHAMAS | *GILBERT AND | SEYCHELLES |
| *BARBADOS | ELLICE IS. | SOLOMON IS. |
| BERMUDA | *GRENADA | *SOMALILAND |
| CAYMAN IS. | LEEWARD IS. | *TONGA |
| DOMINICA | NEW HEBRIDES | TURKS AND |
| *FALKLAND IS. | *ST. HELENA | CAICOS IS. |
| *GAMBIA | ST. LUCIA | ZANZIBAR |

* These territories will produce a Report for 1949 and the remainder for 1949-50.

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